ANNUAL MUTUAL FUND SURVEY

C3950-1

Performance ratings on 1,652 funds

August 31, 1992 Four Dollars

Forbes

BEST BUYS

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BEST BUYS

... in U.S. Treasury, junk bond, small company, balanced, money market, tax-free, Ginnie Mae and foreign funds. Also: The Forbes honor roll. Bear market strategies. Real estate funds. Tax tips ... and more.

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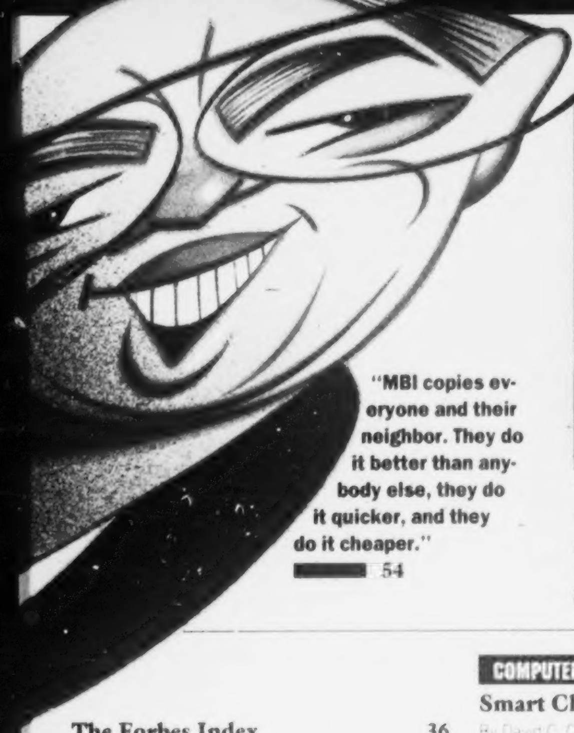

"MBI copies everyone and their neighbor. They do it better than anybody else, they do it quicker, and they do it cheaper."

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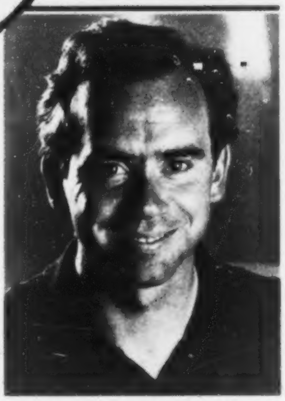

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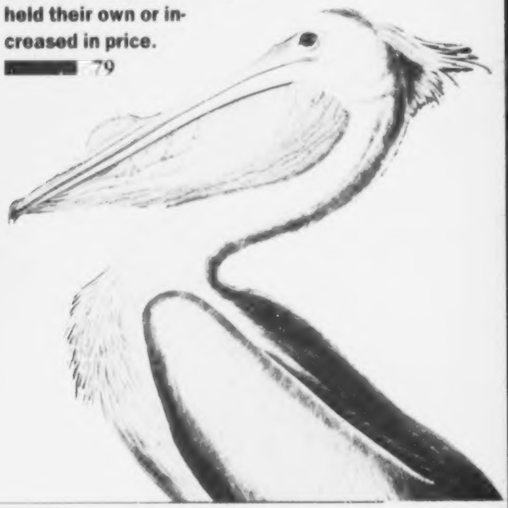

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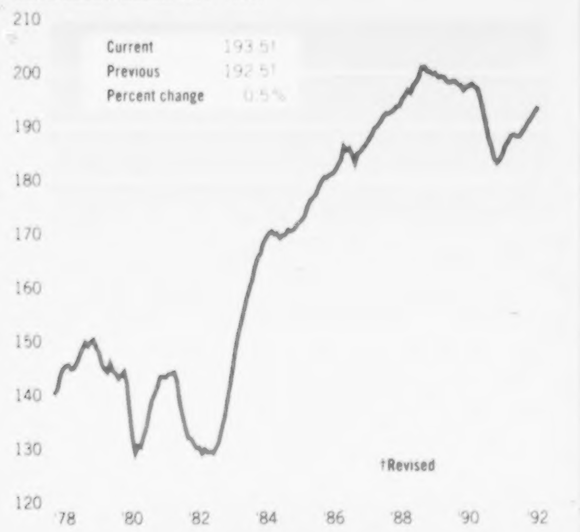
THE FORBES INDEX

BY TIMOTHY DODMAN



The Forbes Index (1967=100)

†Revised

One boost to the Forbes Index: Manufacturers' inventories have declined rather steadily over the past two years. But pushing down on the index, consumers are borrowing more reluctantly. Auto loans declined by an annualized rate of 12.9% in June and total credit outstanding fell for the seventh time in the last eight months. Nondeductible interest rates on auto loans and credit cards are stubbornly high, so it is possible that the falloff in consumer debt in part reflects borrowers' ingenuity in shifting debt to deductible home equity credit lines.

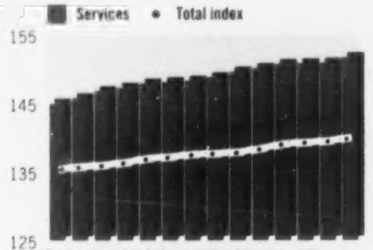
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	6.0%
Auto sales year to date vs 1991[1]	Ward's Automotive	1.6%
Index of leading indicators June vs May	Dept of Commerce	-0.2%
Trade balance 12 months ended May 1992	Dept of Commerce	-$68 bil
All-commodity producer price index June vs May[2]	Dept of Labor	0.6%
GDP 2nd quarter vs 1st—annualized growth	Dept of Commerce	1.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.2%

[1] U.S.-based manufacturers, excludes imports, as of 7/30/92. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

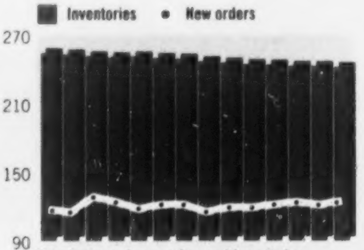
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: The cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total industrial production, new housing starts, personal income, new claims for unemployment compensation, total retail sales, total consumer installment credit.

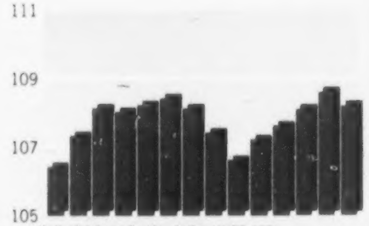
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



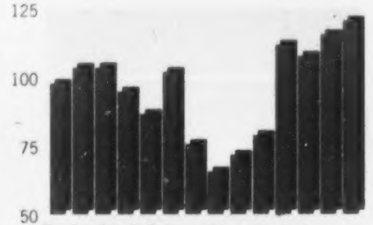
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



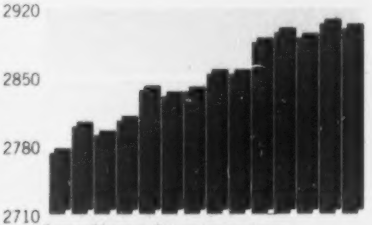
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



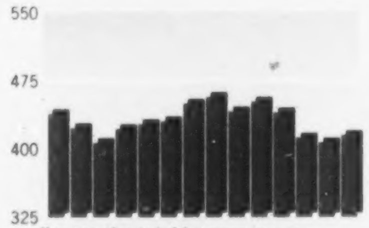
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



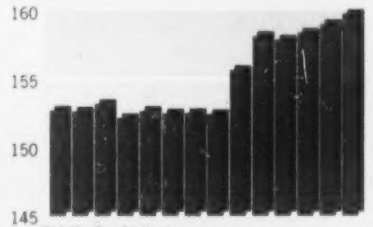
New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



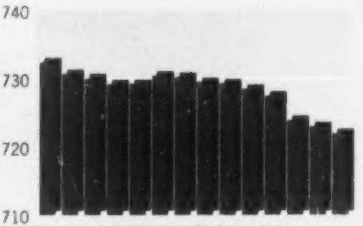
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



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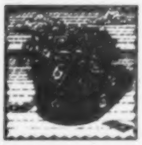

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The art of fund selection boils down to three things: risk, cost and history. Herewith a guide to using this formula and to avoiding certain common mistakes.

How to pick a fund

By William Baldwin

THE SCHOOLMARMS of financial planning always have the same commandment for someone trying to find the right mutual fund: Read the prospectus carefully before you invest.

Here's a radical thought. Don't read prospectuses. You'll go crazy trying to sort through 3,400 funds that way, and you will miss the big picture, which has just three elements you need to fix on. Those three elements are risk, cost and performance history. The Forbes annual fund survey will help you compare funds on these three scales.

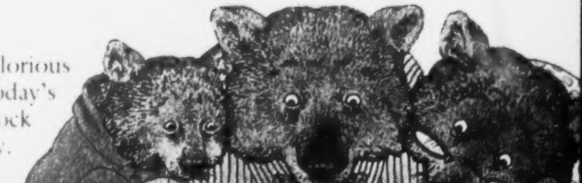
The first issue to confront is what kind of fund you ought to be buying. And that boils down to how much risk you are willing to take.

Why take any risk at all? Because you get paid to take it, just as insurance underwriters get paid to take it and steeplejacks get paid to take it. But if you take more risk than your particular personality can handle, you may react badly to a bear market, selling at the bottom after buying at the top.

Ask yourself: Was I tempted to sell everything out on Oct. 20, 1987? If the answer is "yes," you don't belong in a high-risk, high-potential fund.

The two big risks in investing are: equity risk and interest-rate risk. Equity risk is the financial uncertainty in business activity. It captures almost all of what is hazardous about a stock fund, and it explains maybe half the risk in a junk bond fund. If corporate profits don't live up to the glorious expectations built into today's stock prices, then today's stock fund buyer will lose money. If too many leveraged companies can't pay their bills, today's junk fund buyer will suffer.

Interest-rate risk is the uncertainty in bond funds of anything but the junk variety. And the market handsomely compensates people willing to shoulder it. Compare yields on long-term Treasury bonds (7.4%) with yields on three-month Treasury bills (3.2%). With the bond, you are taking the risk that the inflation rate will shoot up, taking interest rates with it and causing your bond to fall in value. The three-month bill has such a short life span that nothing really bad can happen before you get your money back. Thus bills are for the nervous, long Treasurys for the strong of nerve.



There are many ways to measure investment risk, some very complicated. Ours is simple and effective. We measure risk in the bear-market grade for a fund. A stock fund with a D or F in down markets is on the risky side. It may still be a suitable fund—for an investor with thick skin and a high degree of confidence that stocks are cheap today.

We haven't even talked about the risk of international turmoil and currency fluctuations, but if you are prepared to assume those, consider the emerging-country funds starting on page 102.

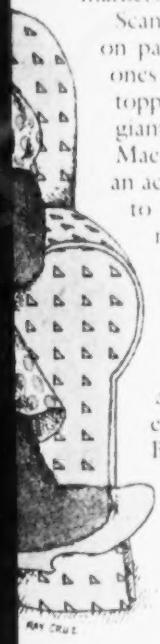
Next item in the big picture, one that millions of investors are evidently blind to: costs.

Here's a simple formula to measure

cost. Take the expense ratio shown in the right-hand column of the fund tables. This is the sum of portfolio management fees and overhead costs for marketing, accounting and the like. Add to this one-fifth of the sales load you have to pay to get into the fund. We publish a maximum load figure, but large investors usually pay less and some investors (including many corporate thrift plan participants) pay nothing. What's reasonable for a combined figure? For a U.S. fund, the total should be not too much more than 1%; for a foreign fund, 2% is par.

The Vanguard Group never charges a sales load, and it offers an excellent selection of bond funds and stock index funds with annual expenses no higher than 0.3%.

Do fractions of a percentage matter? You bet they do, especially in bear markets or in sluggish markets.



Scan the list of taxable bond funds on page 168. A lot of the bigger ones have a load/expense burden topping 2%. Some of these costly giants simply own piles of Ginnie Maes and U.S. Treasury securities, an activity in which skill does next to nothing to improve performance. Put $100,000 into one of these popular, overpriced funds, stay for five years, and you throw $5,000 down the drain.

Bend the 1% rule a little for a small fund with an ability to exploit an unusual niche. The Berwyn Income Fund, page 98, does this with thinly traded bonds; the FAM Value Fund, page 106, with thinly traded stocks.

Last item on the agenda: performance. We put it last because too many people put it first. They look at two funds, one that has averaged an 18% a year gain, the other 10%, and say to themselves: This one is probably going to earn me 8% a year more than the other one, so I must have it, never mind the load or the risks.

The boilerplate disclaimer on fund prospectuses says, "Past performance is no guarantee of future results." This is too feebly worded. It should read, "Our manager beat the averages over the past five years, but don't bank on a repeat performance. Luck played a larger role than skill in the outcome. Also, he's threatening to quit."

In the Best Buy rankings that begin on page 90, we blend the three criteria—risk, cost and performance—into a single score. First we rank the funds in a given category on risk-adjusted performance. This statistic rewards funds that delivered better returns than their peers without incurring a lot of volatility. Then we rank funds on a combined cost figure (annual expenses plus a fifth of the maximum load). The funds are then ranked on their combined score.

The honor roll of the best-performing stock funds, in contrast, gives a lot of weight to performance and risk but almost none to costs *(see following story)*. Before buying a fund on the honor roll, make a separate evaluation of whether you will have to pay a lot to invest in it. For most investors, this means avoiding the load funds.

What mistakes do investors make in mutual fund investing? Here are four big ones.

Barn-door closing. People buy the kind of fund they wish they had bought earlier. Health and biotechnology funds were at the top of the performance charts late last year. Money poured in from new investors who wanted to enjoy those results. They got just the opposite of what they expected.

Chasing yield. Fund investors, many of them refugees from banks, think that yield is a measure of expected return. It is not surprising that they think this way, since the quoted yield on a bank CD is precisely the return. Thanks to deposit insurance, principal in a bank does not fluctuate.

But in any fund other than a money market, principal does fluctuate. It behooves the fund investor to look at total return rather than yield.

Buying too many funds. The main reason for owning a fund at all is that it is a cheap, liquid way to create a very well diversified portfolio. It takes at least 20 stocks to make a diversified portfolio. But it doesn't take 20 funds to create a stock fund portfolio. Two or three will do.

A related sin is buying a fund when neither diversification nor liquidity is at issue. Suppose you want to put away $15,000 for five years toward college expenses, and you want to be in bonds, not stocks. You don't need instant access to the money.

You could buy an intermediate-term U.S. Treasury fund. What can you expect from it? Look up Treasury notes in the newspaper. The ones due in five years have a yield to maturity of 5.5%. If the fund charges 1% a year in management fees and other expenses, and if interest rates don't fluctuate, you'll get 4.5% out of this fund.

This is a stupid move. You should buy bonds directly from the government. The EE savings bond, in which you are permitted to invest up to $15,000 each year, pays 6%.

Expecting too much. Suppose you see an ad for a fund boasting of its 18% a year return over the past decade. Is this what you should expect of it now? No way.

First, reflect on the fact that the fund sponsor decided which fund to advertise after the decade was over; the company is not compelled to discuss the fund that averaged 10% or another one that was so bad it was dissolved. Next, note that the past decade has been an unnaturally bullish period, culminating in stock prices that are extremely high in relation to corporate earnings and dividends. At least, some astute money managers think so. See the story that starts on page 114.

Here's a dose of realism. Over the very long run, stocks have averaged a total return about seven points above inflation. Since stocks are expensive today, a conservative estimate for the future is for a real return of 6%. Now check out that advertised fund's expense ratio. If it's 1.6%—high but not at all unusual—then your expected real return is 4.4%. That, by the way, is the expected real return on long-term Treasurys, assuming they are bought directly rather than through a fund and assuming that inflation can be expected to stay put at 3%.

We're not telling you to avoid all stock funds. An all-Treasury portfolio is terribly exposed to the risk of increased inflation. So, include some equity in your portfolio, put a little into foreign funds, and consider such inflation hedges as real estate (page 116) and energy (page 99). But, whatever you do, know what risks you are taking and why. ■

It's fairly easy for a mutual fund to achieve high returns in an overheated market, but bull markets don't last forever. Look for strength in bear markets as well.

The honor roll

By Toddi Gutner

The Twentieth Century family of funds does not make this honor roll. Why? Haven't the Twentieth Century Growth, Select and Ultra funds done extremely well by their shareholders for the past decade? Yes, but the group's defensive ranking is not as good as its up-market ranking. By that we mean that these funds are standout performers in bull markets but tend to do worse than the average in bear markets. To get on the Forbes honor roll a fund has to score an A or B in down markets.

The honor roll's emphasis on down-market performance is controversial, but it serves two functions. One is that it forces investors to think about risk when they look at performance. It is no great credit to a fund manager to make a lot of money during a bull market, if he is in danger of giving most of it back in an ensuing bear market. There are many ways to adjust results for risk, but the most straightforward is to look at how well the manager does in down markets *(see chart, p. 123)*.

The other reason for giving a lot of weight to bear market results is the very freakishness of the stock market's rise over the past decade. Chances are that the next decade will be marked by longer or more severe bear market intervals, or by weaker bull markets. A simple, straight-line performance ranking gives investors a distorted view of how much they can expect to make in the future and of what sort of fund is likely to do best.

Our grading system puts a bonus on consistency of results. We measure performance over three market cycles, going back to 1980, and limit the honor roll to funds that have been around for the full three cycles. Our rating system scales back abnormally high or low returns within any given period, since a repeat performance of a lucky or unlucky streak is unlikely. We exclude sector funds from the honor roll, since their success may be due more to the sector than the skill of the stock picker. This rule knocks out Century Shares Trust, an insurance stock fund, and Franklin Utilities.

Continuity of management is another issue. Fidelity Magellan wins an impressive double A grade for past performance, but the man responsible for most of that performance, Peter Lynch, is no longer running the fund. Thus, we require an honor roll fund to have a manager who has that position for at least seven years. Selected American Shares was on the honor roll from 1988 through 1991 but was

Fund/distributor	Performance UP markets	Performance DOWN markets	Lead manager (years)	Average annual total return[1]	Hypothetical investment results[2]
Bergstrom Capital/closed-end	A+	A	Erik E Bergstrom (16)	19.8%	$63,441
Fidelity Destiny Portfolio I/Fidelity Distributors Corp	A+	B	George Vanderheiden (12)	18.4	42,822
Guardian Park Ave Fund/Guardian Investor Services Corp	B	B	Charles Albers (20)	15.7	35,947
John Hancock Sovereign Investors/John Hancock Advisors	C	A	Multiple managers (10)[8]	15.1	34,596
IAI Regional Fund/IAI Funds	A	B	Julian Carlin (12)	15.5	37,731
Income Fund of America/American Funds Group	B	A+	Multiple managers (8)[8]	15.9	34,959
Lindner Fund/Lindner Management Corp	D	A+	Robert A Lange, Eric E Ryback (11)[8]	16.9	43,537
Merrill Lynch Capital Fund-A[9]/Merrill Lynch Funds Distributor	C	A	Earnest Watts (9)	15.4	34,546
Mutual Benefit Fund/Green Hill Financial Service Corp	A	B	Multiple managers(8)[8]	15.9	39,399
Nationwide Growth Fund/Nationwide Financial Services	B	B	John Schaffner (10)	15.1	35,159
Nicholas Fund/Nicholas Co	B	A	Albert O Nicholas (23)	16.0	45,089
Phoenix Growth Fund/Phoenix Equity Planning Corp	B	A	Multiple managers (7)[8]	17.4	44,350
T Rowe Price International Stock Fund/T Rowe Price Associates	B[10]	B[10]	Martin G Wade (12)	19.6[11]	37,230[11]
Scudder International Fund/Scudder Investor Services	C[10]	B[10]	Nicholas Bratt (8)	19.0[11]	34,768[11]
Sentinel Common Stock Fund/Equity Services	B	A	Christopher Martin (7)	15.7	36,068
SoGen International Fund/SoGen Securities Corp	C	A+	Jean-Marie Eveillard (14)	16.1	35,613
Source Capital/closed-end	D	A+	George Michaelis (14)	15.5	36,110
United Income Fund/Waddell & Reed	A	A	Russell E Thompson (13)	17.4	41,142
Washington Mutual Investors/American Funds Group	B	A	Multiple managers (9)[8]	16.6	40,768

[1] From 11/30/80 through 6/30/92, before deducting loads and taxes. [2] Value on 6/30/92 of $10,000 invested 11/30/80, after load and taxes, for hypothetical upper-income investor. Assumptions: Investor has $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income—15% after 1986—and four exemptions. Loads applied at 6/30/92 rate. [3] Average of price/earnings ratios for stocks in portfolio based on most recently available information, weighted by size of holding. Sources: Morningstar, Inc. and Forbes. [4] Lesser of security sales or purchases, divided by average net assets. [5] Most funds have lower minimum requirements for IRAs and automatic savings plans. [6] Closed-end funds have no loads, but hypothetical results column assumes a 1% brokerage fee to buy shares. For information on closed-end funds contact a stock broker. [7] Operates as a contractual plan, requiring monthly investment, with a decreasing load for larger

booted this year when nine-year veteran manager Donald Yacktman left to start the Yacktman Fund. Committee-run funds must have managers with an average tenure of at least seven years.

Finally, only funds that are open to new investors make it on the honor roll. That rule knocks out such first-class funds as Sequoia, Vanguard Windsor, FPA Paramount, two Mutual Series funds, CGM Capital Development and, as of Aug. 3, TNE Growth.

Several dozen funds score well in down markets, have long-standing management and are open to new customers. Out of that group, we selected 19 on long-term performance. Our measure labeled "Hypothetical investment results," shows what a $10,000 investment would have grown to over three market cycles, after deductions for estimated taxes and the current sales load.

The honor roll is not an unconditional recommended list. Before investing, pay attention to one criterion that scarcely enters into the honor roll formula, and that is the cost of a fund. Costs include the one-time sales commission shown in column eight and the annual expense burden shown in column nine.

While we carry load funds on the honor roll, we advise investors to try to find ways to get into them without paying the load. Some load funds are, for example, available without load through corporate thrift plans. Many scale back their sales charges to a negligible 1% or so for very large (multimillion-dollar) purchases; some allow a load-free transfer from another load fund. A 5% load is tolerable if you are highly confident of being able to stay in the fund for a long time and if the fund's annual expense ratio is on the low side. By the same token, Fidelity Destiny I, a fund sold via a long-term contractual plan, makes sense only for an investor who is certain to complete the plan and to stay for a long while thereafter.

The Best Buy rankings, which begin on the following page, are based upon quite different criteria than the honor roll. The Best Buys make more explicit the balancing of costs and performance records. They are open to a lot of newer stock funds that don't qualify for honor roll status, as well as to a wide variety of fixed-income funds. We offer both as an aid to mutual fund selection. ■

Net assets ($mil)	Maximum load	Annual expenses per $100	Weighted average P/E[3]	% of assets in cash	Portfolio turnover[4]	Minimum initial investment[5]	Fund (consecutive years on honor roll)
$117	NA[6]	$0.88	28	15%	17%	NA	**Bergstrom Capital** (9)
2,373	NA[7]	0.57	17	9	76	NA	**Fidelity Destiny Portfolio I** (10)
280	4.50%	0.68	17	4	61	$1,000	**Guardian Park Ave Fund** (5)
482	5.00	*1.18*	21	11	67	1,000	**John Hancock Sovereign Investors**
553	none	*1.25*	17	22	141	5,000	**IAI Regional Fund** (4)
4,788	5.75	*0.67*	17	4	23	1,000	**Income Fund of America**
978	none	0.80	16	6	11	2,000	**Lindner Fund** (4)
3,517	6.50	0.58	17	2	86	250	**Merrill Lynch Capital Fund-A**
46	4.75	0.85	17	9	9	250	**Mutual Benefit Fund** (4)
313	7.50	0.65	19	12	10	250	**Nationwide Growth Fund**
2,269	none	0.78	18	9	15	500	**Nicholas Fund** (11)
1,843	4.75	*1.20*	17	32	203	500	**Phoenix Growth Fund** (4)
1,863	none	1.10	17	9	46	2,500	**T Rowe Price Intl Stock** (3)
1,022	none	1.30	20	4	50	1,000	**Scudder International Fund** (2)
665	8.50	0.71	18	1	8	500	**Sentinel Common Stock Fund**
409	3.75	*1.37*	19	26	24	1,000	**SoGen International Fund**
319	NA[6]	0.97	18	9	41	NA	**Source Capital** (4)
2,304	8.50	0.66	19	8	25	500	**United Income Fund** (4)
8,961	5.75	*0.73*	18	4	10	250	**Washington Mutual Investors** (3)

investment contracts. Hypothetical investment result assumes a single investment of $10,000 on 11/30/80, with a simulated load of 12.4%. This load reflects both sales and account maintenance charges. [8] Average tenure of managers, with 11 years maximum credit for each. [9] Fund has two share classes, one with 12b-1 fee and back-end load and the other with front-end load only. Results shown are for front-loaded shares. Assets are for the entire fund. [10] Grades for foreign funds depend on long-term performance against other foreign funds. [11] Annual return covers period from 9/30/82 to 6/30/92, the time span used to measure the performance of foreign stock funds. Hypothetical return is measured over the same period as domestic stock funds. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* NA: Not available or not applicable.

Best Buys

Good performance delivered at low cost is the ticket to entry on these tables. For performance, we looked at total return over the past five years, penalizing volatile funds and rewarding stable ones. For cost comparisons, we added one fifth of the maximum load to the annual expense ratio, with a penalty for temporary absorption of expenses by the sponsor. We ranked funds in each category by performance and efficiency, and added the two rankings to get a combined score. Funds are listed in the Best Buys tables in descending order of this score. Best Buys continue on pages 92, 94, 96, 99, 102, and 110. Best Buys money funds, pages 192 and 193, are selected solely by expense ratio.

International stock funds

Global funds mix U.S. and foreign securities; foreign funds invest all or almost all their assets in equities outside the U.S. Both kinds of funds benefit from a weak dollar and suffer when it rebounds.

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
Global							
Vanguard World–US Growth/Vanguard	13.2%	average	J Parker Hall (5)	$0.52	none	$1,287	$3,000
Scudder Global Fund/Scudder	9.1	average	William E Holzer (6)	1.62	none	371	1,000
Templeton Income Fund/Templeton	9.3	very low	Sam Forester (2)	1.05	4.50%	161	500
Vanguard World–International Growth/Vanguard	5.6	average	Richard R Foulkes (11)	0.61	none	930	3,000
Lexington Global Fund/Lexington	6.1	average	Caesar Bryan (5)	1.57	none	56	1,000
USAA Investment-Cornerstone Fund/USAA	4.3	low	Harry W Miller (2)	1.19	none	571	1,000
Foreign							
Vanguard Trustees Commingled–Intl/Vanguard	6.3%	low	John Wagstaff-Callahan (8)	$0.38	none	$850	$10,000
T Rowe Price International Stock Fund/Price	6.6	average	Martin G Wade (12)	1.10	none	1,863	2,500
Scudder International Fund/Scudder	5.7	average	Nicholas Bratt (8)	1.30	none	1,022	1,000
Kleinwort Benson International Equity/Kleinwort	5.5	average	Multiple managers (4)[2]	1.88	none	71	1,000
IAI International Fund/IAI Funds	5.5	very low	Roy Gillson (2)	*2.00*	none	37	5,000
Lexington Worldwide Emerging Mkts Fund/Lexington	4.3	average	Caesar Bryan (1)	1.97	none	29	1,000
European							
Financial Strategic–European/Invesco	5.3%	low	Multiple managers (4)[2]	$1.46	none	$146	$250
Fidelity Europe Fund/Fidelity	5.1	very high	John R Hickling (1)	1.27	3.00%	443	2,500
Pacific							
Japan Fund/Scudder	0.5%	high	O Robert Theurkauf (6)	$1.26	none	$361	$1,000
Nomura Pacific Basin Fund/Nomura	3.1	average	Takeo Nakamura (7)	1.46	none	44	1,000

Expense ratio is in italics if fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force. [1] Most funds have lower minimum requirements for IRAs and automatic savings plans. [2] Average tenure of managers, with 11 years of maximum credit for each

U.S. equity funds

Within each category, funds are listed in descending order of their Best Buys scores. The formula gives equal weight to five-year performance and to how much an investor has to pay—in sales load and fund overhead—to own the fund. Best Buys rankings of natural-resource and gold-sector funds are on page 99. On page 110 we list the Best Buys in funds that invest in small companies.

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
Stock							
Lindner Dividend Fund/Lindner	11.3%	very low	Eric E Ryback (10)	$0.80	none	$382	$2,000
USAA Mutual-Income Stock Fund/USAA	11.5	very low	Harry Miller (3)	0.77	none	298	1,000
Janus Fund/Janus	16.2	average	James P Craig III (5)	0.96	none	4,379	1,000
Financial Industrial Income Fund/Invesco	13.4	low	Multiple managers (7)[2]	*0.98*	none	2,093	250
Nicholas Fund/Nicholas	10.9	low	Albert O Nicholas (23)	0.78	none	2,269	500
Century Shares Trust/Century Shares	12.3	average	Allan W Fulkerson (16)	0.95	none	162	500
Janus Twenty Fund/Janus	15.7	high	Thomas F Marsico (5)	1.01a	none	2,116	1,000
20th Century Ultra Investors/20th Century	15.6	very high	James E Stowers Jr (11)	1.00	—[3]	3,757	0
Mutual Series Fund-Beacon/Heine Secs	10.1	very low	Michael F Price (7)	0.85	none	430	5,000
Financial Strategic-Financial Services/Invesco	18.9	average	Doug Pratt (*)	1.15	none	242	250
Balanced							
Vanguard Wellesley Income Fund/Vanguard	11.2%	very low	Earl McEvoy (10)	$0.40	none	$2,392	$3,000
Fidelity Balanced Fund/Fidelity	11.1	low	Robert Haber (4)	0.92	none	1,232	2,500
Vanguard STAR Fund/Vanguard	9.6	average	None[4]	0.39	none	2,027	500
Fidelity Convertible Securities Fund/Fidelity	13.7	high	Andrew Offit (*)	1.17	none	273	2,500
Dodge & Cox Balanced Fund/Dodge & Cox	9.7	average	Multiple managers (11)[2]	0.65	none	221	2,500
Franklin Income Fund/Franklin	11.3	low	Charles Johnson (35)	0.54	4.00%	2,212	100
Sector—utilities							
Fortress Utility Fund/Federated	11.7%	high	Christopher Wiles (2)	$1.11a	2.00%b	$260	$1,500
Financial Strategic-Utilities/Invesco	9.6	very high	Phil Dubuque (2)	1.24	none	82	250
Franklin Utilities Fund/Franklin	10.8	average	Multiple managers (8)[2]	0.56	4.00	1,883	100
Stratton Monthly Dividend Shares/Stratton	8.5	low	James W Stratton (12)	1.15a	none	62	2,000
Sector—health & technology							
Financial Strategic-Health Science/Invesco	23.3%	average	Multiple managers (4)[2]	$1.04	none	$759	$250
Vanguard Special-Health Care/Vanguard	15.5	low	Edward Owens (8)	0.30	none§	567	3,000
Financial Strategic-Technology/Invesco	11.6	high	Daniel Leonard (8)	1.22	none	131	250
Vanguard Special-Technology/Vanguard	3.0	average	Perry Traquina (8)	0.36	none§	33	3,000

Expenses ratio is in italics if the fund has shareholder-paid 12b-1 exceeding 0.1% pending or in force. [1] Most funds have lower minimum requirements for IRAs and automatic savings plans. [2] Average tenure of managers, with 11 years of maximum credit for each. [3] Fee of $10 on accounts less than $1,000. [4] No manager; invests in Vanguard funds. a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. *Less than one year. §Distributor may impose redemption fee, with proceeds reverting to other fund stockholders.

Taxable bond funds

How far out on the yield curve are you willing to stick your neck? If interest rates rise, short-term funds will be damaged the least. If rates are constant or fall, long-term funds—with their wired-in higher yields—will do better. Ginnie Maes have roughly the same rate sensitivity as medium-term bonds.

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
U.S. Treasury							
Dreyfus 100% US Treasury Long Term/Dreyfus	10.2%	average	Barbara Kenworthy (5)	$0.25a	none	$224	$2,500
Dreyfus 100% US Treas Intermed Term/Dreyfus	9.5	low	Barbara Kenworthy (5)	0.62a	none	202	2,500
Benham Target Maturities–2000/Benham	16.4	high	David Schroeder (2)	0.68	none	157	1,000
Benham Target Maturities–2005/Benham	16.6	high	David Schroeder (2)	0.67	none	160	1,000
Benham Treasury Note Fund/Benham	8.8	average	David Schoeder (2)	0.59	none	333	1,000
Ginnie Mae							
Benham GNMA Income/Benham	10.9%	average	Randy Merk (6)	$0.62	none	$829	$1,000
Vanguard Fixed Income–GNMA/Vanguard	11.1	high	Paul Sullivan (12)	0.29	none	6,155	3,000
AARP Income Trust–GNMA & US Treas/Scudder	9.6	low	David Glen (8)	0.74	none	4,615	500
Franklin US Government Sec Fund/Franklin	10.2	very low	Jack Lemein (8)	0.52	4.00%	13,319	100
Fidelity Ginnie Mae/Fidelity	10.0	average	James R Wolfson (5)	0.81	none	916	2,500
Junk							
Merrill Lynch Corp–High Income-A/ML Funds	11.9%	average	Multiple managers (6)[2]	$0.60	4.00%	$1,271	$1,000
Federated High Yield Trust/Federated	10.4	high	Mark Durbiano (5)	0.76a	none	258	25,000
Fidelity Capital & Income Fund/Fidelity	9.7	low	David Breazzano (1)	0.80	none	1,654	2,500
Vanguard Fixed Income–High Yield/Vanguard	8.6	low	Earl E McEvoy (8)	0.34	none	2,049	3,000
Franklin AGE High Income Fund/Franklin	8.5	high	Martin Wiskemann (20)	0.58	4.00	1,860	100
Short-term							
Vanguard Fixed Income–Short-Term/Vanguard	9.5%	high	Ian MacKinnon (10)	$0.26	none	$2,336	$3,000
N&B Limited Maturity Bond/N&B	8.7	average	Theresa Havell (6)	0.65a	none	242	5,000
Scudder Short-Term Bond Fund/Scudder	9.2	high	Thomas Poor (3)	0.44a	none	2,500	1,000
Fidelity Short-Term Bond Port/Fidelity	8.7	average	Donald Taylor (3)	0.86	none	1,370	2,500
T Rowe Price Short-Term Bond Fund/Price	8.3	low	Veena A Kutler (1)	0.87	none	415	2,500
Medium-term							
Columbia Fixed Income Securities/Columbia	10.5%	high	Tom Thomsen (9)	$0.66	none	$238	$1,000
Nicholas Income Fund/Nicholas	8.2	average	Albert O Nicholas (15)	0.66	none	103	500
T Rowe Price New Income Fund/Price	9.8	average	Charles P Smith (6)	0.87	none	1,361	2,500
Merrill Lynch Corp–Intermediate/ML Funds	9.6	low	Jay Harbeck (*)	0.63	2.00%	132	1,000
Northeast Investors Trust/Northeast Inv	7.3	very high	Ernest Monrad (32)	0.84	none	416	1,000
Long-term							
USAA Mutual–Income Fund/USAA	11.4%	high	John W Saunders Jr (7)	$0.44	none	$1,204	$1,000
Vanguard Bond Market Fund/Vanguard	10.0	average	Ian MacKinnon (6)	0.16	—[3]	921	3,000
Vanguard Fixed Income–Invest Grade/Vanguard	11.1	very high	Paul Sullivan (16)	0.31	none	2,329	3,000
Fidelity Investment Grade Bond/Fidelity	10.1	average	Michael Gray (4)	0.70	none	953	2,500
Scudder Income Fund/Scudder	10.0	average	William Hutchinson (6)	0.97	none	432	1,000

[1] Most funds have lower minimum requirements for IRAs and automatic savings plans. [2] Average tenure of managers, with 11 years maximum credit for each. [3] Annual $10 maintenance fee. *Less than one year. a: Net of absorption of expenses by fund sponsor.

Municipal bond funds

The first three categories of tax-free funds have national portfolios. You may be better off in a double-tax-free fund, with bonds from only one state. But be careful. It makes no sense to save a little on local taxes if you have to sacrifice a lot in loads and expenses. The last category lists the best one-state fund in each state. Note: We only included those states whose best fund is reasonably priced.

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
Short-term							
Vanguard Muni Bond–Short-Term/Vanguard	6.1%	very low	Ian MacKinnon (11)	$0.22	none	$966	$3,000
Merrill Lynch Muni–Ltd Maturity/ML Funds	6.1	very low	Vincent R Giordano (13)	0.40	0.75%	613	1,000
USAA Tax-Exempt Fund–Short-Term/USAA	6.4	very low	Kenneth E Willmann (1)	0.48	none	737	3,000
Dreyfus Short-Intermediate Tax-Exempt/Dreyfus	6.6	very low	Samuel Weinstock (5)	*0.72a*	none	231	2,500
Medium-term							
USAA Tax-Exempt Fund–Intermediate/USAA	8.3%	low	Kenneth E Willmann (10)	$0.44	none	$1,006	$3,000
Vanguard Muni Bond–Intermediate/Vanguard	9.2	average	Ian MacKinnon (11)	0.22	none	2,861	3,000
Scudder Medium Term Tax-Free/Scudder	6.9	very low	Donald Carleton (6)	0.00a	none	479	1,000
SteinRoe Intermediate Municipals/Stein Roe	7.5	low	Joanne Costopoulos (1)	0.79	none	165	1,000
Long-term							
General Municipal Bond/Dreyfus	10.4%	high	Paul Disdier (7)	*$0.01a*	none	$927	$2,500
Fidelity Tax-Free–Aggressive/Fidelity	9.4	low	Anne Punzak (4)	0.69	none	721	2,500
SteinRoe High-Yield Municipals/Stein Roe	9.5	low	James Grabovac (1)	0.69	none	411	1,000
USAA Tax-Exempt Fund–High Yield/USAA	9.5	average	Kenneth E Willmann (10)	0.40	none	1,754	3,000
One-state							
Tax-Free Trust of Arizona/Aquila	9.0%	low	Todd Curtis (6)	$0.58a	4.00%	$238	$1,000
California Tax-Free Income Fund/California Inv	9.2	average	Phillip W McClanahan (7)	0.58a	none	210	10,000
Tax-Free Fund of Colorado/Aquila	7.9	very low	Christopher Johns (5)	0.48a	4.00	154	1,000
Premier State Municipal–Connecticut/Dreyfus	9.3	average	Sam Weinstock (5)	*0.52a*	4.50	298	1,000
Premier State Municipal–Florida/Dreyfus	10.5	high	Paul Disdier (5)	*0.52a*	4.50	254	1,000
Hawaiian Tax-Free Trust/Aquila	8.2	very low	Lorene Okimoto (1)	0.70	4.00	504	1,000
Dupree–Kentucky Tax-Free Income Series/Dupree	8.8	low	William Griggs (3)	0.75	none	169	100
Fidelity Mass Tax-Free–High Yield/Fidelity	8.9	low	Guy E Wickwire (4)	0.58	none	1,165	2,500
T Rowe Price Maryland Tax-Free Bond/[illegible]ice	8.5	low	Mary J Miller (2)	0.63	none	558	2,500
Fidelity Michigan Tax-Free High Yield/Fidelity	9.2	average	Peter Allegrini (4)	0.62	none	423	2,500
Premier State Municipal–Minnesota/Dreyfus	9.7	high	Paul Disdier (5)	*0.53a*	4.50	127	1,000
General NY Municipal Bond/Dreyfus	8.1	very low	Monica Wieboldt (4)	*0.55a*	none	292	2,500
Premier State Municipal–Ohio/Dreyfus	10.1	average	Paul Disdier (5)	*0.52a*	4.50	254	1,000
Spartan Pennsylvania Muni–High Yield/Fidelity	9.6	high	Peter Allegrini (4)	0.55	none	218	10,000
Franklin PR Tax-Free Income Fund/Franklin	8.8	average	Sheila Amoroso (2)	0.69	4.00	120	100

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force. [1] Most funds have lower minimum requirements for IRAs and automatic savings plans. a: Net of absorption of expenses by fund sponsor.

Berwyn Income beats both high-grade bond funds and low-grade bond funds. How does it do it?

The little bond man scores big

By Amy Feldman

IT'S A FAIRLY GOOD rule of thumb that small bond funds aren't worth bothering with because they are almost guaranteed to have higher expense ratios than large funds. The main difference between a $50 million Ginnie Mae fund and a $5 billion Ginnie Mae fund is that the little one has fewer assets over which to spread its overhead. That's why the bond fund tables beginning on page 168 don't include any fund with less than $100 million.

Every rule has its exception, and in this case it's the itty bitty Berwyn Income Fund of Berwyn, Pa. The $8 million fund ranks first among 207 general corporate bond funds, followed by Morningstar, Inc., the Chicago fund rating service, for performance over the past three years.

Behind this little success story is Robert E. Killen, who in 1976 left his job as a nuclear engineer at General Electric to turn his avocation, money management, into a career. Today the Killen Group manages $175 million in assets, including two no-load funds, Berwyn and Berwyn Income.

Berwyn Income, founded in 1987, doesn't fit neatly into a bond fund category. It is not really investment grade, not really junk. In addition to bonds it holds a small dose of stocks and convertible securities. But the unusual mix has produced impressive results. Berwyn's 13% average annual return over the past three years puts it, says Morningstar, well ahead of the average high-grade corporate fund, the average high-yield fund, even the average mortgage-backed fund.

"We've had surprisingly few disappointments," says Killen, 51. "You would think the environment would cause us more problems, especially in the less-than-investment-grade positions, but it hasn't."

More than half of Berwyn Income's assets are invested in investment-grade securities, that is, bonds rated BBB and above. About one-third are in junk bonds (rated BB down to CC). The rest are in convertible bonds, dividend-paying common stock and Treasury bills. The junk bonds increase the fund's yield, while the investment-grade bonds offset the overall risk.

Robert E. Killen of Berwyn Income

His fund gets big profits from small, illiquid issues.

In order to reduce the time and expense of research, Killen often buys the bonds of companies in which the Berwyn Fund already has an equity stake. That saves on staff. Only 12 people work in Killen's small office. One is Robert P. Killen, his 22-year-old son.

Berwyn Income's small size has been an advantage, allowing Berwyn to get in on bond offerings that are too tiny and illiquid for huge bond funds to bother with. Take Jackpot Enterprises, a Las Vegas gambling company, with a mere $30 million in debt outstanding. Berwyn Income began buying the B+ rated 8¾s of 2014 in August 1991 at 91 ($910 per $1,000 face) and kept buying them through February. A larger fund would have had problems buying a relatively significant number of these bonds. In June Killen sold at 106.

A particularly successful Berwyn investment last year was in Equimark Corp., a Pittsburgh-based bank holding company. Killen bought 285 of the CCC rated 12⅞s of 1999 at 70. This January the company did an exchange offering with its bondholders. Killen got 390 shares of Equimark stock, then trading at 3⅝, for each bond. In March, with the stock at 4½, he sold for a 150% return on his $199,500 investment.

Two of Berwyn Income's investment-grade holdings are the A-rated Eastman Kodak 8⅝s of 2016 and the BBB-rated Niagara Mohawk Power Corp. 8⅜s of 2007. Killen likes them because of their long maturities, and because of his preference for out-of-favor industries.

A stake in convertible bonds, now 25%, enabled Berwyn Income to benefit from last year's rally in small stocks. Among the fund's convertible holdings are sheet-and-towel maker Fieldcrest Cannon's B-rated 6s of 2012, clothing retailer Petrie Stores' BBB-rated 8s of 2010 and hotelier La Quinta's unrated 10s of 2002.

Killen doesn't actively market Berwyn Income except to his own money management customers. But anyone can buy in (call 800-824-2249). The minimum investment in the fund is $10,000. The expense ratio, 1.3%, is higher than anything on a Vanguard fund, but this bond fund is probably worth the expense. One caution: If too much money floods in, Killen will have trouble maintaining his investment style. ■

Disinflation and recession have beaten natural resource funds to a pulp. Maybe it's time to buy?

Dirt cheap

By Toddi Gutner

NATURAL RESOURCE funds have languished since their 1979 and 1980 heyday as inflation hedges. With inflation down, so are the funds' returns. It's no surprise then that the group has lagged the S&P 500 in every year since then except 1987.

As natural resource stocks have sunk, contrarian investors such as John Neff have bought stocks in the energy, forest products and metals industries. These days 21% of the Windsor Fund, which Neff manages, is in these stocks. What attracted Neff? Cheap assets and high yields, among other things. Windsor's holdings include smelter Alcoa and oil producer USX-Marathon.

Windsor is closed to new investors. But you can copycat Neff by putting a portion of your portfolio in a resource fund. The two Best Buys shown below offer low expenses and returns that, although meager in comparison with the stock market as a whole, are respectable in comparison with other resource funds.

Are natural resource stocks about to come back to life? Charles Clough, chief investment strategist for Merrill Lynch, is high on natural gas issues. He says prices bottomed in February and are now recovering as weaker producers abandon the business, eliminating excess capacity in the industry. He adds that crude oil producers will also eventually run out of spare capacity if world economic growth picks up.

Ernst von Metzsch, manager of Vanguard Specialized Energy fund, has increased his exposure to natural gas producers from 9% to 15% of the fund's assets in the past year, adding to such positions as Devon Energy, which extracts gas from coal in New Mexico's San Juan Basin. He's got 20% of the fund in overseas stocks, including Norsk Hydro, a Norwegian oil company, and Total, the French gasoline refiner.

What about timber as an income-generating inflation hedge? There's only one timber fund, Fidelity Select Paper & Forest, and it is not large enough to appear in the Best Buys rankings. However, the fund has gained 11% in the past 12 months as the sector has recovered from its 1980 disinflation blues.

The other obvious resource, of course, is gold. We list four gold fund Best Buys. They all have had dreadful returns over the past five years, but are useful in small doses as an insurance policy against a resumption of double-digit inflation. Hope for the best, prepare for the worst. ■

Best Buys: natural resource funds

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[1]
Vanguard Special-Energy/Vanguard	6.3%	average	Ernst von Metzsch (8)	$0.30	none§	$151	$3,000
T Rowe Price New Era Fund/Price	5.1	low	George A Roche (22)	0.84	none	717	2,500
Vanguard Special-Gold & Prec Metals/Vanguard	-2.9	average	David J Hutchins (6)	0.35	none§	193	3,000
Franklin Gold Fund/Franklin	0.2	average	Martin Wiskemann (20)	0.40a	4.00%	257	100
Lexington Goldfund/Lexington	-5.2	average	Caesar Bryan (5)	*1.68*	none	93	1,000
Financial Strategic-Gold/Invesco	-11.8	very high	Dan Leonard (3)	1.51	none	49	250

Expense ratio is in italics if fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force. [1]Most funds have lower minimum requirements for IRAs and automatic savings plans. a: Net of absorption of expenses by fund sponsor. §Distributor may impose redemption fee, with proceeds reverting to other fund shareholders.

These natural resource and gold portfolios, listed in descending order of overall appeal, are the best values among hard-assets funds.

There's no way to get high returns and zero risk at the same time. Further proof of this axiom: recent stumbles by adjustable rate mortgage funds.

ARM and a leg

By Seth Lubove

HOME AND HEARTH, income and the guarantee of the U.S. government. What could offer more reassurance to yield-starved money market and CD investors? That's how marketers are promoting adjustable rate mortgage funds these days.

With considerable success. In the last year the number of ARM funds has increased eight times, to more than 30, while assets have swelled to over $14 billion. The attraction of the ARM funds is that they supposedly deliver yields 1½ to 2 percentage points above yields on money market funds, but with scarcely any of the risk associated with bond funds. That's because the adjustable coupons of the ARMs protect investors against runups in interest rates. As for credit risk, there is little to none in the typical mortgage security.

But, surprise, there is risk in these funds. In July, as interest rates were hitting new lows and holders of Treasury bond funds were enjoying windfall gains, several ARM funds managed to lose money. Among them, the Ranieri Adjustable U.S. Government Funds I and II. Both funds suffered principal losses of 1%, more than wiping out interest income for the month.

What went wrong? Why doesn't a floating coupon immunize the investor against fluctuations in the bond market? ARM funds can be a safe collection of reasonably simple, easy to comprehend government-backed mortgages. But some sponsors, in order to goose up yields, toss in a dose of complicated derivatives, risky privately issued ARMs and an assortment of other Wall Street gizmos. And even the most straightforward ARM-backed securities have a certain amount of risk. The mortgages underlying the securities typically have lifetime caps on their interest rate increases.

What it all comes down to is this: Extra return comes with extra risk. There is no Wall Street alchemy that can convert a mortgage or any other investment into a product with zero risk and high returns.

One drawback to the ARM funds: no long-term record. The granddaddy, if you can call it that, is the Franklin Adjustable U.S. Government Securities Fund, started in late 1987. This fund, at least, has not disappointed investors who went into it with reasonable expectations. Franklin's share price fluctuated just 1.3% in the past 12 months. For the year, the fund provided a total return of 8%, surpassing the 6.8% return from six-month Treasury bills and roughly tying the return from short-term bond funds. Note the tradeoff here: An ARM fund puts you a little further out on the yield spectrum than Treasury bills do, and delivers a slightly better return. No magic there.

But note that the past year has witnessed ideal conditions for ARM funds: steadily dropping interest rates and a steep yield curve. Contrast that with the early 1980s, when rates could ping-pong 1 to 2 percentage points in the space of a month. Since ARM coupons reset on a lagging basis, the gentle downward trend has given ARM fund investors fairly low volatility in principal with a modest increment in yield.

ARM fund managers try to anticipate interest rates. If they sense a decline in rates, they can enhance returns by loading up on ARMs that reset their coupons slowly. That's the same strategy as lengthening the maturity of a bond portfolio when you sense that rates will decline. If your hunch is right, the strategy works. If you guess wrong, it backfires.

The most controversial aspect of the funds has to do with their purchases of collateralized mortgage obligations, mortgage-backed securities divided into different tranches of varying maturities, yields and risk. Some of these tranches are very stable. Others aren't. The Ranieri Adjustable Rate U.S. Government Funds, for example, dabble in so-called interest-only Strips, which collapse in value when homeowners prepay mortgages unexpectedly soon. That's just what happened in July.

We publish no Best Buys ranking of ARM funds because we don't think any of them are particularly good buys. The six large enough and around long enough to be listed with the taxable bond funds *(page 168)* all have loads of at least 3%. That's not oppressive for a stock fund you are buying to hold for ten years. But it can prove expensive in a short-term fund. What if you stay put for just three years? Then you have knocked 1% a year off your return, probably eliminating whatever small advantage comes from buying adjustable mortgages rather than short-term U.S. Treasury bonds.

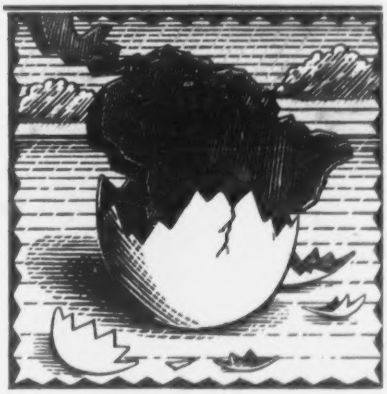
Our advice: Take out an ARM for your house, not your portfolio. If you want an investment that acts like an ARM fund, buy one of the short-term bond funds shown on page 94. ■

Emerging country funds deliver sometimes explosive returns—and an occasional appalling collapse.

The next Chile?

By Claire Poole

FRANCISCO RODRIGO, the 31-year-old portfolio manager of the First Philippine Fund, thought he had a winner with Metro Drug on the Manila and Makati stock exchanges. In the first nine months of 1991 the company earned 60 million pesos ($2.2 million). Rodrigo figured it could do $2.8 million for the year.



But when Rodrigo visited the company in March, he was told that it was going to report an inventory writedown and a yearly loss equivalent to $5.7 million. What happened in the fourth quarter? “Clerical errors” was the answer, which could have meant anything from undocumented receivables to employee pilfering. Rodrigo has been gradually unloading his 37 million-share position at a loss. Says he: “I can understand natural disasters. But this takes the cake.”

Such are the hazards of investing in developing countries. When the markets are good, they are very good: In the past 12 months Philippine and Chilean stocks averaged gains of over 55%, and Argentinean stocks nearly tripled. And when they are bad, they are horrid. In recent years stock markets in both Brazil and India suffered sudden crashes related to scandals. Ross Perot sent the Mexican market reeling with an attack on free trade.

Emerging country stock exchanges can be illiquid—with stocks not trading for weeks at a time—and highly volatile. Three years ago the Korean market was the hot spot after surging an average 93% a year for three years. Since then Korea has undergone billowing trade deficits and a weakening currency, and its market's return has averaged a negative 14% a year. William McBride follows 200 closed-end emerging country funds for Lipper Analytical Services. Drawing on his experience, he says: “These funds stumble and they fall. And when they fall, they fall hard.”

If you're intent upon buying into developing country stocks, funds are the way to go. Look for funds that have beaten their local averages. Also consider efficiency: Assuming you buy a closed-end—and that is likely to be your only choice—you want one that sells at a discount to net asset value (or, at worst, a small premium) and doesn't take off too much in fees and expenses. Also, plan to stick it out for at least five years, come what may. In the Philippines' case, the last three years have been made interesting by a coup attempt, two earthquakes, a typhoon and a volcanic eruption.

For novice investors, McBride advises acquiring a global fund where managers move your money in and out of various individual countries as they think wise. Three such funds he follows returned an average 21% a year over the past three years. The best performing of these is Templeton Emerging Markets Fund (FORBES, *Jan. 25, 1988*). Mark Mobius runs the fund from Hong Kong and has attracted a following. As a result, the fund's shares are trading at a 13% premium to net asset value. Less expensive—and established—is the Morgan Stanley Emerging Markets Fund, which has already earned a 23% return in its first seven months under manager Barton Biggs. His talent comes at a 2.6% discount.

The Latin American Investment Fund, two years old and managed by BEA Associates' Emilio Bassini, returned 55% over the last 12 months and recently was selling at a 5% discount to net asset value. The Scudder New Asia Fund, managed by Andrew Economos, has averaged a 16% a year return over the last three years and recently traded at a 1% premium.

Of course, if you have faith in a particular economy, you may prefer to invest in a single country fund; but be prepared for volatility, and don't sell out at the first sign of riot, earthquake or political upheaval.

Whatever country you like, stay away from initial public offerings, which arrive at a 5% to 7% premium to net assets and, sometimes, with a

Best Buys: emerging country funds

Fund	Assets ($mil)	Discount	Annual expenses[1]	Relative performance[2]	Country P/E
Portugal	$62	-13.4%	$1.96	104	9
ROC Taiwan	267	-7.8	1.92	112	21
First Philippine	131	-21.0	1.95	93	22
Malaysia	110	-11.5	1.70	93	22
Mexico	673	-7.0	1.22	87	13
Chile	220	-1.8	1.75	100	16

[1]Per $100 of net assets. [2]Ending value of $100 invested in fund's portfolio, divided by ending value of $1 invested in local stock market, over the past 12 months. *Sources: Morningstar, Inc.; International Finance Corp.; Forbes.*

Ranked by efficiency (good discount and/or low expense ratio) and by performance (relative to local stock averages) and shown in descending order of overall score.

blank check on expenses.

The latest hot spot is China, with three funds coming to market: the China Fund, managed by Wardley Investment Services in Hong Kong; the Greater China Fund, managed by Baring International Investment; and the Jardine Fleming China Region Fund, managed by Jardine.

The market is getting a little crowded. The total value of mainland Chinese shares legally available to foreign funds is but $460 million. With Chinese stocks trading at multiples from 40 to as high as 200, Templeton's Mobius is staying away. The new Chinese funds will probably put a lot of their money in Hong Kong, but that market has already had a big run in the past year and a half.

If the past is any guide, these China funds will eventually sell at a discount from net asset value. If they don't do so right away you can be reasonably sure some bad news will come along and knock them down.

Emerging markets typically double when opened up to foreign investment. Locals jump into the market before the foreigners, bidding up prices. Later on, when reality sets in, these markets typically lose 20% to 50% of their gain. McBride says it has happened in Indonesia, Thailand and India, and, to a lesser degree, in Korea. The time to buy is a few years after that initial wave of euphoria.

The biggest disappointment to date among the emerging country funds has been the Turkish Investment Fund. The Istanbul Stock Exchange has dropped 80% since the fund's startup in late 1989. The fund has outperformed the Turkish stock average but has still taken a beating. Maybe Istanbul stocks are a buy right now. The Turkish Fund would have made our Best Buy list shown on page 102 if not for its high expense ratio and 14% premium.

Best Buy candidates are scored on two criteria: performance and efficiency. For performance, we looked for single country funds that did well relative to their respective stock markets and for international funds that did well relative to the Morgan Stanley overseas index shown on page 160. Our efficiency measure rewards low annual expenses and high discounts to net asset value. ■

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Turned off by Wall Street? Here are a couple of far-from-Manhattan funds that handily beat their markets.

Clean air and clear thinking

By William P. Barrett

Thomas Putnam of Fenimore Asset Management, Cobleskill, N.Y.

Where the deer and the raccoons roam.

JOHN TEMPLETON started it all. Years ago he moved to the sunny Bahamas and proved that investment success is by no means proportional to physical proximity to Wall Street. Indeed, avoiding the financial crowd is probably a good idea. Just look at Warren Buffett, who from his retreat in Omaha became another investment legend. Templeton's outpost in the Atlantic may have made it easier for him to venture off in directions that his competitors back in New York and Boston overlooked—such as Japanese stocks when they were much cheaper than U.S. stocks.

In this day of faxes and Bloomberg terminals, it's ever easier for a fund operator to work from the hinterlands. And more and more are doing it. Here are two relatively unsung fund management pairs, one of stocks, one of municipal bonds, who work in unlikely places and beat the averages.

Few household names

From the rural upstate New York village of Cobleskill, Thomas Putnam runs the FAM Value Fund. Its tiny size ($22 million) is an advantage to a stock picker following Putnam's strategy, which is to find overlooked companies so small that most Wall Streeters have never heard of them.

Companies like Raven Industries. This Sioux Falls, S.D. balloon and sportswear firm has a market capitalization of all of $76 million. If the Fidelity Magellan Fund bought in—indeed, even if it bought the entire company—the position would account for a mere fraction of 1% of Magellan's assets. At FAM Value, however, the $425,000 stake in Raven is one of the larger holdings. The stock has climbed 159% since Putnam started buying it three years ago.

The 48-year-old Putnam has a knack for picking these little outfits. Over the five years ended June 30, he and comanager Diane Van Buren delivered a compound annual return of 12.4%, well above the 9.7% posted by the S&P 500. Were it not for the fact that FAM is too small to be rated by FORBES, the fund would be a candidate for the Best Buy rankings of funds specializing in small-company stocks *(see p. 110)*. The fund has a back-end load that starts out at 5% and declines to 0% after five years. However, there is no customary 12b-1 fee that goes along with the disappearing load. The fund's expenses total a reasonable 1.5% annually.

Putnam's explanation for his success: "Out here in the country you can think clearer." He and Van Buren look for promising companies that have far less debt than equity, a return on equity topping 15% and a price/earnings ratio below 12. It's pretty hard to find big companies with numbers like that in a market whose P/E (excluding negative earnings) averages 17. But there are little companies that fit the bill. "We don't want household names," Putnam declares.

That makes it easier to visit and quiz top management. "The answer we like to hear is, 'We're cheap.' What we don't like to see is an executive parking lot full of new Mercedes," Putnam says.

Top holding is Trustco, a Schenectady, N.Y. bank that specializes in home equity loans. Another investment in FAM's backyard is Conmed, a Utica maker of disposable hospital products. Besides Trustco, the portfolio includes a large dose of little banks, such as FirsTier Financial of Omaha and Fourth Financial of Wichita.

Then there's Poe & Associates, an insurance broker, and CSS Industries, a manufacturer of business forms and metal containers. Ever hear of IFR Systems (test equipment), Datron Systems (satellite and radar gear) or

Melamine Chemicals (a vital ingredient for finishes)? All present. FAM Value's turnover last year was an extraordinarily low 14%.

Why is Putnam in Cobleskill? Grew up there, and likes the place. The son of a textile mill owner, he took an M.B.A. from Tulane and worked as a market researcher with Corning Glass in Elmira. He lost his job during the early 1970s recession. By then the family business had been sold, so Putnam came back to Cobleskill to manage the resulting cash. He started Fenimore Asset Management in 1975 to handle nonfamily accounts. That he started in the mid-1970s was pure chance, but it was the best possible time to buy stocks, just recovering from the 1974 crash, which took the Dow below 600. Van Buren, 34, came on in 1980. In 1986 they started FAM Value.

Besides the fund, Putnam and ten employees handle $120 million in pension and individual accounts. They work without a Dow Jones ticker or a stock quote machine. Deer roam through the parking lot, and raccoons rummage near the back door. The rent is an eighth of what it would be in Manhattan. Who needs Wall Street?

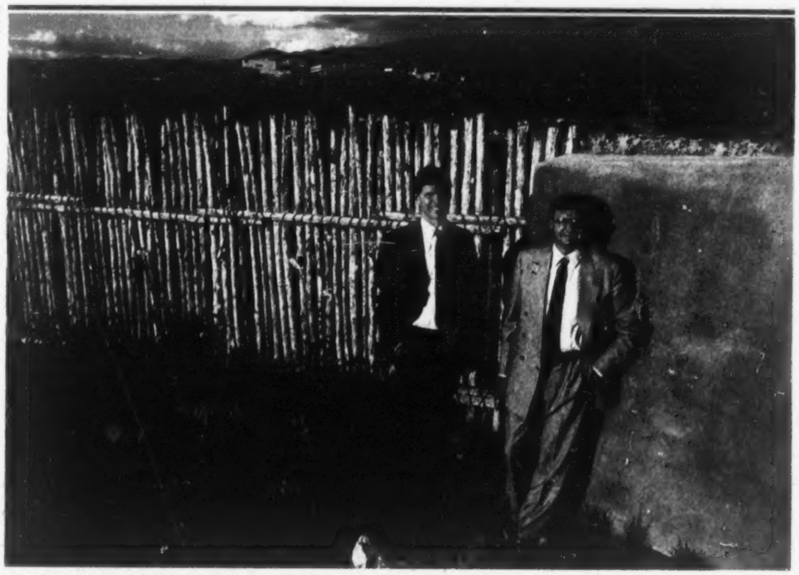
The slopes

H. Garrett Thornburg Jr. put his money management office in Santa Fe, N.M. (elevation, 7,000 feet) because it's near ski slopes. But during weekdays another kind of slope—the yield curve—occupies him. Along with Brian McMahon, he oversees the Limited Term Municipal Fund-National Portfolio, the best performing of 16 short-term muni bond funds tracked by Lipper Analytical Services.

Over the past five years the fund, with $530 million in assets, has produced an average annual return of 7.4%, equivalent to a taxable 10.7% for those in the top bracket.

The fund's goal: capturing most of the yield offered by long-term bonds, but with far less risk. The fund succeeds admirably; a chart of the net asset value shows a nearly straight line, trending slightly up. In total return FORBES ranks this fund A+ in down markets and F in up markets—just what you would expect in a short-term bond fund. (For muni fund ratings, see p. 180.)

How do Thornburg, 46, and McMahon, 37, get such good results? Buying bonds in states that are deemed undesirable by the bond crowd in New York. "A state may be having economic problems, but local school boards don't default," says Thornburg. "But it depresses the hell out of bond prices. We just love panics." The fund loaded up on Texas municipals during the mid-1980s, when oil prices hit bottom and everybody was writing off Houston and Dallas. Says McMahon, "People thought we were crazy, but no one's defaulted."



Brian McMahon (left) and H. Garrett Thornburg Jr., Santa Fe, N.M.

Nice tradeoff.

Currently the largest state holding—12% of the portfolio—is bonds from Massachusetts, primarily bought during the past three years, after the collapse of the so-called Massachusetts miracle. Next target? "Maybe California," McMahon says. "I think things are getting rough, but we're not yet ready to buy."

Typically, Thornburg and McMahon buy shorter-term portions of a longer-term issue. Tax-exempt bonds, unlike corporates and U.S. Treasurys, usually are offered with assorted maturities in the same issue ranging from 1 year to 30 years. The Santa Fe boys give up a little yield but a lot of risk in taking the shorter maturities. By holding to redemption, they keep transaction costs to a minimum.

Thornburg was a limited partner at Bear, Stearns when he moved to Santa Fe a decade ago to form Thornburg Management Co. He helped turn industrial development bonds into tax-exempt money market funds. His ideas were so good, one observer wrote, that they either made money or were outlawed.

One brainstorm was a municipal lease bond fund, which specialized in short-term paper issued by municipalities to buy equipment like sewer-cleaning trucks (FORBES, *May 20, 1985*). Thornburg recruited McMahon, then in the corporate finance section of Norwest in Minneapolis, to help oversee it. A promising idea, but the two found it harder and harder to buy leases with decent legal protection in the form of collateral. (It's one thing to repossess a fleet of trucks; grabbing the city jail is another matter.) In 1986 they converted the lease fund into the short-term muni fund. One drawback: a 2.75% load.

Going from Manhattan to Santa Fe, Thornburg gave up a little convenience (the ride to the Albuquerque airport is 75 minutes) but a lot of crime and taxes. Says he, "Not a bad tradeoff." ■

These are great funds to own in a bull market. The technique works beautifully until the momentum hits a brick wall.

The momentum players

By Toddi Gutner

Thomson Opportunity Fund is a top-performing growth fund, but its latest public report (March 1992) disclosed a vulnerability. The fund's portfolio contained a very large position in a very hot stock: Royal Appliance Manufacturing, maker of Dirt Devil and Royal vacuum cleaners.

Royal shares were sailing along recently at a split-adjusted 20, almost triple the 7¾ offering price when Royal went public a year ago. Supposedly, the company was cheap at a mere 14 times expected 1992 earnings. And then, surprise, the company announced that expectations would not be met. On July 24 the stock fell 53% in one day of trading.

Unpleasant surprises like this one are the price that growth stock investors like Thomson pay in order to play the earnings momentum game, which is their trademark.

A momentum investment strategy involves getting on board a company with briskly rising earnings, even if the stock is selling at a steep multiple of earnings, and enjoying the ride.

Like other momentum investors, Donald Chiboucas, manager of the $148 million Thomson Opportunity Fund, can boast of an excellent record in the 1980s bull market. Since Chiboucas took over the fund at the end of 1986, it has achieved a 17.8% compound annual return, four points ahead of the S&P 500.

Chiboucas, 47, won't elaborate on his successful investment style—"I would rather invest than talk about it," he says. But from the record one can figure out how Chiboucas plays the game. If Chiboucas anticipates a favorable earnings surprise, or if a company delivers quarterly earnings higher than analysts anticipated, he takes a look at it. If the earnings of a company in his portfolio are disappointing, he sells immediately. The median market capitalization of companies in Thomson Opportunity is $565 million. That helped last year when an explosion in small stock valuations led the fund to a 68% gain.

Since last September Chiboucas has reduced the equity position of Thomson Opportunity from 95% of assets to a slightly more conservative 83%. He has dropped the fund's health care holdings from 28% to 7% of assets and expanded holdings in more economically sensitive industries like computers, containers, restaurants and retailing.

Close to 12% of Thomson's portfolio is in computer stocks. His largest holding in the sector is Adaptec, a designer and supplier of input/output integrated circuits and printed circuit boards. This $150 million company sells at 15 times expected 1993 earnings of $1.64 per share.

Another of Thomson's computer stocks is EMC Corp. It makes high-performance substitutes for IBM disk drives attached to large computers. Net income jumped a healthy 47% from 1990 to 1991. EMC trades at 20 times expected 1992 earnings of 93 cents a share.

Chiboucas likes specialty retailers, including furniture seller Bombay Co. and software retailer Babbage's. Another holding, CML Group, operates an eclectic group of 134 retail stores, including Britches, a clothing chain; the Nature Co., which sells nature-related books and gifts; and Mason & Sullivan, a seller of craft kits. It also owns NordicTrack, a manufac-

Best Buys: small-company funds

Fund/distributor	5-year annualized total return	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/92 ($mil)	Minimum initial investment[3]
Sit New Beginning Growth Fund/Sit	10.4%	average	Douglas C Jones (10)	$0.83	none	$242	$2,000
Pennsylvania Mutual Fund/Penn Mutual	9.2	very low	Multiple managers (11)[1]	0.95	none[2]	924	2,000
Nicholas II/Nicholas	8.0	very low	Albert O Nicholas (9)	0.64	none	623	1,000
Scudder Development Fund/Scudder	9.5	high	Multiple managers (7)[1]	1.27	none	694	1,000
Vanguard Explorer Fund/Vanguard	7.1	average	Multiple managers (7)[1]	0.65	none	458	3,000
Dreyfus New Leaders Fund/Dreyfus	8.6	average	Thomas A Frank (7)	*1.29*	none	201	2,500

[1] Average tenure of managers, with 11 years of maximum credit for each. [2] Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. [3] Most funds have lower minimum requirements for IRAs and automatic savings plans.

Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.

These funds specializing in the shares of smaller companies combine excellent performance in relation to risk with below-average expense ratios and little or no loads.

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PERFORMANCE...

*Cumulative Total Return as of 12/31/91
Since Inception (10-5-82) 405.8%
9 YEARS 373.2%
8 YEARS 246.7%
7 YEARS 251.0%
6 YEARS 176.6%
5 YEARS 114.7%
4 YEARS 72.1%
3 YEARS 41.1%
2 YEARS 8.1%
1 YEAR 11.4%

*Average Annual Total Return as of 6/30/92

1 YEAR	5 YEARS	Since Inception
+13.9%	+11.6%	+18.8%

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You will receive a prospectus containing more complete information including all charges and expenses. Read it carefully before you invest or send money. *Total return quotations reflect the deduction of the maximum sales charge (5.75%), deduction of a proportional share of Fund expenses on an annual basis and assume that all dividends and distributions are reinvested. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their initial cost. Past performance is no guarantee of future results. There are special risk considerations associated with foreign investing.

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turer of exercise equipment. CML Group trades at 25 times expected 1992 earnings of $2.08.

Almost 8% of Thomson Opportunity is in lodging and gaming stocks, including International Game Technology. Shares of this gambling-machine maker have climbed eightfold since Chiboucas bought in. The company has posted average 54% annual earnings gains since 1988 and sells at 42 times expected 1992 earnings.

Recent additions to Chiboucas' fund include restaurant chain Au Bon Pain, packaging maker Chesapeake and regional airline Mesa Airlines.

Chiboucas is not by any means the only fund manager who uses a momentum strategy. The Twentieth Century funds play this game skillfully. So do William Berger of the Berger 100 Fund and Kenneth Heebner of the CGM Capital Development Fund.

What an investor must always keep in mind is this: All these momentum funds have excellent long-term results, but they tend to give their shareholders a bumpy ride up. In the first half of 1992 Twentieth Century Growth, Berger 100 and CGM Capital Development fell an average of 11%, while the stock market was flat. Almost alone among the momentum-type funds, Thomson didn't lose ground in the first half—but that was before the Royal Appliance disaster.

The table on page 110 shows small-company funds we rate as Best Buys. Among them, Scudder Development comes closest to Thomson Opportunity in following a high-growth, high-risk strategy. Pennsylvania Mutual, by contrast, is a slower-paced fund, with more emphasis on value and less exposure to declining stock markets.

Thomson Opportunity isn't on the Best Buy list because its expenses and its risk level are fairly high. (The Best Buy rankings reward funds that offer excellent performance in relation to the risks they take and that have low loads and annual expense ratios.)

How high are Thomson's charges? There are two classes of shares. Class A has a maximum 5.5% upfront sales charge, Class B a 1% annual 12b-1 fee. But you can avoid the sales commissions by choosing the A shares and putting in at least $3 million. A single account held by a corporate thrift plan could qualify for the load waiver. ■

There is more to being a smart bear than not buying stocks when they are expensive. The other half of the formula is buying when they are cheap.

Time to hibernate?

By Suzanne Oliver

WITH THE Dow Jones industrials having more than trebled in the past decade, stocks are expensive by historical measures. They average a dividend yield of only 3%, a price/earnings ratio topping 26 (if you include moneylosers in the calculation) and a price/book ratio of 2.6.

None of these is an infallible signal that the bull market is over, but prices are worrisome enough to encourage smart investors to think defensively when they make new investments. That means they will want to consider funds that FORBES shows as performing relatively well in bear markets.

Remember, however, that there is more to being a smart bear than getting out of stocks when they are expensive. The other half of the formula is getting in when they are cheap.

Consider the eccentric Bernard Klawans, who manages the $7 million Valley Forge Fund and five unrelated businesses from the recreation room of his Wayne, Pa. home. He is now 80% in cash—but then, he sold out of the 1982 rally in October 1982 and has averaged a 50% cash position since. Like a broken clock that is right twice a day, Klawans will have his day of vindication in the next correction. But it will be next to impossible for Klawans to make up for all the ground he has lost.

The three bears profiled below all have a bullish side, too, so—if the past be guide to the future—they will be equipped to take advantage of a cheaper market when it arrives.

Dreyfus Capital Value Fund

Stanley Salvigsen has made some prescient market calls. As the chief strategist at Merrill Lynch in 1983, he predicted that interest rates would fall from their Volckerish heights and urged investors to put money in the stock market. That was the year the bull market of the 1980s began.

In 1986 Salvigsen and two colleagues left Merrill Lynch to set up the money management firm Comstock Partners in New York City. In 1987 they predicted interest rates would briefly rise, undermining the stock market, and then continue their long decline. They were right. As manager of the Dreyfus Capital Value Fund, Salvigsen hedged the fund against the October crash and earned 35% that year, against 5% for the S&P 500.

Salvigsen, 49, is bearish again, and he thinks things are worse now than in 1987. "Real estate has collapsed, and the Fed can't drop interest rates anymore," warns Salvigsen. "Trees don't grow to the sky. And a 3% dividend yield on the S&P 500 tells us they are hitting the power lines."

So what has Salvigsen done with the $575 million Dreyfus Capital Value portfolio? More than half of it is tucked away in Treasury bills. Another 40% is in gold, energy-related and metals stocks like Homestake Mining, Baker Hughes and Inco.

The rest of the portfolio is in cash and put options on the S&P 500 Index and the Nikkei Index. The fund also has $92 million worth of short positions on the darling stocks of the 1980s like U.S. Surgical, Merck and Walt Disney. Other stocks Salvigsen has borrowed for short sales include Travelers Corp., Medtronic, Philip Morris and General Electric.

Last year Dreyfus Capital Value lost money on all its short positions. While the S&P 500 rose 30%, the fund ended the year up just 4%, in spite of big gains on its Nikkei Index puts.

It is no surprise that Salvigsen's bearish posture has lost him investors, who have pulled out a cumulative $200 million in the past 2½ years. Dreyfus Capital Value's 8.7% average annual return since 1987 lags the S&P 500's 9.7%. But the fund's performance in the brief bear markets of 1987 and 1990 was great. Unless Salvigsen has lost his touch, Dreyfus Capital Value will shine again if the market collapses.

Cash cushions

Fund	Cash reserve	—Performance— UP —markets—	DOWN	Annual expenses per $100	Load
Clipper	10%	—	—	$1.17	none
Dreyfus Capital Value	55	—	—	1.68	4.5%
FPA Paramount	42	B	A	0.91	NA
General Securities	31	C	B	1.39	5.0
Janus	33	A	A	0.96	none
Mathers	85	D	C	0.94	none
Phoenix Total Return	39	D	B	1.58	4.75
SoGen International	26	C	A+	1.37	3.75

NA: Not applicable

Here are eight stock funds with significant cash reserves. The cash will cushion their fall in a bear market and enable them to buy stocks cheap.

SoGen International Fund

Jean-Marie Eveillard, manager of the $450 million SoGen International Fund, has been bearish for two years. The government, corporations and individuals are overleveraged, he says. Because we are too indebted to spend our way out of a recession, he sees two alternatives. Government can bail out the debtors by inflating the money supply, or we will have a hiccuping economy for years while debt loads are worked off. Either way, the stock market suffers.

Like Salvigsen, Eveillard has made a substantial bet on gold and other hard assets. Nearly 6% of SoGen International's portfolio is in gold-related securities, including the Basel-based Bank for International Settlements (the equivalent of $4,400 over-the-counter in Basel). Eveillard has 5% of his portfolio in energy and forest product companies, including Burlington Resources and Greif Brothers.

Eveillard, 52, buys stocks that are cheap on price/cash flow and price/book ratios. His insistence on value keeps him out of high-flying stocks, which explains both his C upmarket rating and his A+ downmarket rating *(see honor roll, p. 88)*. The fund climbed just 18% last year against the S&P 500's 30%. But it is already up 7.5% this year, while the market is flat. Although Eveillard has lagged the market over the last three years, his ten-year 18% average annual return matches that of the S&P 500.

Only 45% of SoGen International is currently in common stocks because Eveillard is having trouble finding cheap ones. Recently he has been scouring the pink sheets, the brokers' quotes on thinly traded stocks. He was able to get his hands on 13 shares of Kohler, the bathroom fixture company, at an average $77,000 apiece.

Eveillard has also picked up some inexpensive stocks in Europe. "There are very few contrarians or value investors in Europe," says Eveillard. "So we have no competition from people with sharp pencils like [Mutual Series fund manager] Michael Price."

SoGen International recently became one of the largest shareholders of French papermaker Emin-Leydier (recently trading on the Paris Bourse at $63). Investors have abandoned the company because earnings are suffering as it doubles its capacity. Eveillard was able to buy shares at less than three times the company's 1992 estimated cash flow (here meaning net income plus depreciation). Another French company he recently bought is Promodes, a hypermarket chain. Eveillard bought the nonvoting shares, which are selling at a 50% discount to the voting shares. He also bought Telegraaf, the owner of the major daily newspaper in the Netherlands, at $37. That values the company at three times cash flow.

What about Japan? Eveillard thinks the market will continue dropping, but he has begun to poke around. He acquired shares in electronics maker Hitachi and in Ito-Yokado, the supermarket chain that recently bought convenience store chain Southland.

Clipper Fund

The record number of new stock offerings in 1992 worries James Gipson, manager of the $180 million Clipper Fund. "When investment bankers think it is a good time to sell, it is not the best time for retail investors to buy," he says.

So Gipson, 49, has been cautious with the Clipper Fund and the $2 billion he manages for institutional clients. He developed his value-oriented style at Source Capital and Batterymarch, where he worked before founding Beverly Hills-based Pacific Financial Research in 1980.

Compared with Salvigsen and Eveillard, Gipson's allocation of 75% to common stocks is high. Says Gipson, "I'm happy to buy cheap stocks regardless of what market prices are." That strategy has made Clipper Fund far less volatile than the stock market, while its 11%, five-year average annual return has beaten the market's 10%.

Recently Gipson has picked up the blue-chip stocks that have fallen from their highs. The result is that Clipper Fund owns some of the same stocks that Dreyfus Capital Value has sold short, including Capital Cities/ABC, Federal National Mortgage Association and Philip Morris.

Almost one-third of Clipper Fund's assets are in financial industries. Since the Salomon Brothers Treasury Bond scandal broke, Gipson has loaded up on the firm, making it the second-largest holding in the fund. In the second quarter he bought 66,600 shares of investment banker Morgan Stanley.

"Everybody loves to do business with them, but nobody likes their stock," says Gipson. But Gipson noticed that Morgan Stanley spent $40,400 last year buying back its own shares. "They're saying the stock is cheap," he says.

Gipson also bought 285,000 shares of troubled American Express at an average cost of $19 a share. He thinks the stock, recently at 22½, is worth at least $30.

About 15% of the Clipper Fund is in Strips, otherwise known as zero-coupon Treasurys. The 20-year Strip is trading to yield 8% and would jump in value 21% if interest rates fell by a percentage point. ■

When nobody loves an investment, smart people get interested. For all the bad press it is getting, real estate can offer attractive yields and a good inflation hedge.

Get real

By Eric S. Hardy

THE REAL ESTATE bust is not yet over. Equitable Life's mortgage and real estate portfolio is sickly. The Olympia & York debacle in Canada may force the sale of more commercial properties in the U.S. The apartment glut is still serious, says National Association of Homebuilders chief economist David Seiders.

But look more closely. There are good buys available in properties with low vacancy rates and financially sound tenants with long leases. For example, New Plan Realty Trust says that it is buying strip shopping centers and apartments in all cash deals that yield about 11%. When leveraged speculators unload at distress prices, opportunistic buyers like New Plan are there to pick up bargains.

How can an investor with no real estate expertise get in on the action? There are two ways to invest in real estate and maintain a lot of liquidity. One is to buy a REIT, or real estate investment trust, such as New Plan Realty Trust. A REIT is the real estate equivalent of a mutual fund. It pays no federal income taxes itself and must distribute almost all of its taxable income to shareholders. The bigger REITs trade on the New York Stock Exchange, so an investor can get into and out of the shares with standard brokerage round-trip commission costs.

A REIT that has a portfolio of equity stakes—and thus is in a position to benefit from rising rent rolls—should be a good inflation hedge. REITs that invest primarily in mortgages, however, act more like bond funds and don't have that attraction.

Another way to get a piece of the real estate industry is to buy an open-end fund that owns real estate shares, including shares of REITs, developers and home builders. The round-trip transaction cost is the sales load. The fund also adds a layer of costs shown as an annual expense ratio.

What should you look for in a real estate fund? In a REIT? Very different things. A fund of real estate stocks should be evaluated like any other fund: You want good performance at low costs—costs including both sales loads and annual fees.

A REIT, however, is a very different beast. Performance is a tricky matter. Here, unlike in mutual funds, book value is not a meaningful measure of performance. Some REITs publish estimates of their liquidating value, but these numbers have to be taken with a large grain of salt until the properties are sold and the money is in the bank.

Is it possible to measure performance from a more objective number, the increase in a REIT's share price? It is possible, but then good performance ceases to be a desirable trait. If New Plan's stock shot up 100% over the next month, it would not become a more attractive REIT to buy. Just the reverse. You would be compelled to pay twice as much money for the same portfolio of apartments and shopping strips. The stock would be a poor buy.

In lieu of a performance number, look at a REIT's cash flow. By this we mean net income with depreciation added back in. This cash flow figure and the types of properties in the portfolio are good measures of a REIT's dividend paying capacity.

Other things being equal, you want to pay a low multiple of cash flow. But also take a close look at what kinds of properties the REIT has in its portfolio, and at the managers' past success in making the cash flow figure go up. One reason that New Plan commands a very high multiple of its cash flow is its long history of increases in cash flow—and dividends.

Real estate deals

REIT	Recent price[1]	Cash flow per share[2]	Price/ cash flow	Dividend yield
Capstead Mortgage[3]	35¼	$3.76	9.4	9.1%
Federal Realty Investment[4]	22¾	1.54	14.8	6.7
New Plan Realty Trust[4]	21⅞	1.16	18.9	5.7
Weingarten Realty[4]	34¾	2.23	15.6	5.9

Open-end fund	Maximum sales charge	Annual expenses per $100	Latest 12-month return	Dividend yield
Fidelity Real Estate	none	$1.24	17.5%	4.0%
Templeton Real Estate Securities	5.75%	1.73	13.9	4.4

[1] As of Aug. 4. [2] Net income plus depreciation and amortization. [3] Mortgage REIT. [4] Equity REIT.

These four REITs look attractive in relation to their cash flow and growth rates. Both funds have been good performers, but the first has a much more appealing cost structure (sales load and annual expense ratio).

Have you got good records on those mutual funds you bought years ago and have steadily reinvested dividends in? If you don't, you are asking for trouble.

Cost basis 101

By Laura Saunders

ONE OF THE attractions of the mutual fund for busy people is that it eliminates lots of paperwork. A fund lets you hold a diversified portfolio of 30 stocks without having to keep track of 30 purchase orders and 120 dividend checks.

But don't get too relaxed about it. Investors who lose certain key records can find themselves in a pickle at tax time. "Last year my brother sold a muni bond fund he had held for years," recalls Grant Thornton CPA Thomas Ochsenschlager. "He was missing information for only one year—1978—but it took us several hours to reconstruct it."

The bugbear here is "cost basis," which is the price you pay for your shares. The difference between cost basis and your selling price is a taxable gain or loss. For a 100-share purchase of IBM, all you need to keep in your filing cabinet is the broker's confirmation. For a $10,000 investment in the Dreyfus Tax Exempt Bond Fund, you probably need a lot more. In all likelihood, you have asked Dreyfus to reinvest dividends. Each reinvestment is a new purchase of a few shares. Thus your cost basis in a fund could be the sum of dozens or even hundreds of numbers. The picture gets still messier if you put in money several times a year, say through an automatic investment program.

What to do? Save all your year-end statements, which (usually) recapitulate all reinvestments and other transactions during the year and show a distribution total. If, when you sell, you sell all your shares in the fund, the bookkeeping is considerable but not overwhelming. Your cost basis is the sum of your original investment and all the reinvested dividends since then. If you have had the fund ten calendar years, there should be only 11 numbers to add up to get your cost basis.

Note that we have glossed over the difference between long-term gains and short-term ones. All gains from shares held less than a year are short-term; the rest are long-term and qualify for a slightly lower tax rate.

What if you are liquidating only a portion of your fund account? Reach for the aspirin and grit your teeth. You have the option of simplifying matters a bit by calculating all gains and losses from an average basis per share. To get this number, first calculate your net investment to date: original purchase, plus reinvested distributions, minus cost basis of earlier redemptions. Then divide that sum by shares held. If you have both long-term and short-term gains, you can either use one average cost for both or calculate a separate one for each group. But note that once you elect any one average cost method, you can't switch to any other method.

There are two other methods for calculating gains or losses from partial liquidations of fund accounts. One is first in, first out. The other is the specified shares method. The latter will minimize your tax bill, but is tricky to implement. Read the Internal Revenue Service's Publication 564 for details.

If your records aren't good, chances are that you will overpay your taxes. All too many fund shareholders forget to count reinvested dividends when they sell at a profit, says Arthur Andersen expert Wallace Head. Thus taxable gains look larger than they are.

All this will change if a bill now working its way through Congress takes effect. It requires funds to provide basis records to shareholders. Already, many load fund sponsors—including Putnam, VanKampen Merritt, IDS, Kemper, Keystone and Colonial—tell shareholders what the new law specifies, which is average cost basis. Putnam goes further: By the end of the year it will let sellers choose whether they want to sell shares with the highest cost, the lowest cost or average cost.

The law won't be retroactive, however. So follow these guidelines:

■ Keep a ledger of your capital assets, and set aside a page for each fund account. Write in purchases and yearly totals of reinvested dividends. Save year-end fund statements.

■ If there are holes in your records, ask the fund distributor to fill them. Vanguard, for instance, has records going back nearly 50 years. Charges for the records vary, ranging from nothing at IDS to about $10 per year at Fidelity for up to six years before 1990 (records for the most recent two years are free).

■ If you really hate keeping records, try to keep your funds in a tax-free account (IRA, thrift plan or Keogh). That way basis doesn't matter.

Finally, if all the figuring is more than you want to deal with and you intend to make some charitable contributions anyhow, just give away your fund shares. You will get a tax deduction for the full market price of the shares, and the cost basis doesn't matter to the charity, which is tax-exempt. But do check to see whether the gift will subject you to the alternative minimum tax.

Or, hold on to funds until you die. The cost basis of appreciated assets is automatically stepped up to market value at death. The only sure ways of beating the taxman here are by dying or giving your money away. ■

Rules

FORBES rates funds separately in bull and bear markets. There are two advantages to this approach over a simple straight line performance grade. One is that it makes explicit the fact that funds tend to do well in only one kind of market environment. The other is that it enables you to get a good sense of the risk in a fund. Funds with the worst bear market grades are the riskiest. This is key to an investment decision. You trade off risk against return.

The chart opposite displays the three market cycles over which we rate stock funds. Funds with records stretching across three up periods are compared with one another and graded on the curve for bull market performance. Funds with only two segments of bull market performance are graded separately against one another. Bear market grades are awarded similarly.

Balanced, global and foreign stock funds are also graded against one another over market cycles, in tables that begin on pages 152, 158 and 160. Junk bonds, page 178, have a large element of equity like behavior in their fluctuations and thus move in cycles. The junk sector's 2½ market cycles begin in October 1984.

But high grade bonds don't move in long trend lines at all. Thus we compute separate bull and bear market grades for taxable bond funds, page 168, by dividing the last five years into individual bull and bear months. Municipal bond funds, which begin on page 180, are graded this way, too.

The "average annual total return" shows the compound annual return over the full rating period—three full market cycles in the case of stock funds, 2½ cycles for junk funds and five years for the other bond funds. This and other performance figures—yield and 12 month total return—are net of expenses taken off the top by the fund sponsor. That's because expenses come out before dividends are distributed. Those distributions are in turn used, along with the fund net asset values printed in the daily newspapers, to calculate performance. In the calculations of total return we assume a distribution is reinvested in additional shares of the fund at the end of the month in which the payout went ex dividend.

Why do we print expense ratios if overhead costs are already reflected in performance numbers? Because they are the one component of performance that is very predictable. A lucky manager can put his fund at the top of a chart in spite of an excessive management fee or high overhead. The next year he may not be so lucky. But management fees and other expenses will continue as a drag on performance. Expenses as we define them include management fees, 12b 1 "distribution" fees and overhead. They do not include interest or brokerage commissions for the fund's trading.

Our performance numbers—both those displayed in the tables and those used to award grades—do not take into account sales charges. Thus we are measuring portfolio management skills rather than investment results. The only exception is in the "hypothetical investment results" column of the honor roll on page 88.

Performance and other data are as of June 30. The performance of a closed end fund is calculated from its portfolio (net asset value per share), not its price.

Sometimes a fund sponsor merges a large fund with a bad record into a small fund with a clean record. We treat this transaction as if the merger had gone the reverse way, thus preserving the large fund's performance history. This explains why our performance numbers for several funds differ from those claimed by the funds. Also, we do not expunge a fund's history when its management changes.

Funds marketed by many brokers give investors a choice between shares with a front end load and little or no 12b 1 fees and shares with a declining back end load and fairly high 12b 1 fees. We report performance for the former type of shares but assets for the entire fund.

Yield is the sum of dividends from investment income over the past 12 months divided by the June 30 net asset value. It may differ from the 30 day yield as defined by the Securities & Exchange Commission.

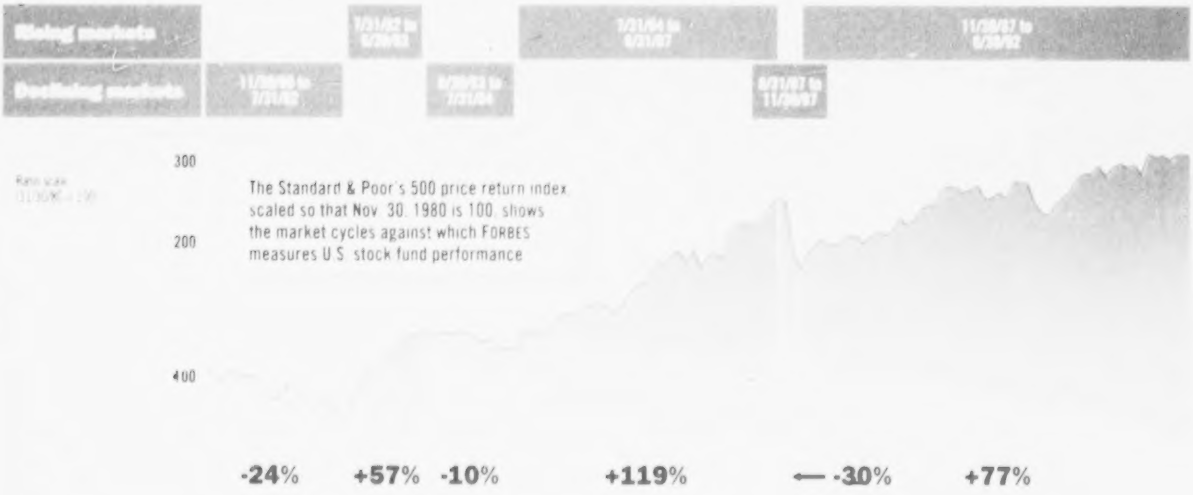
To be included in the annual survey a fund must have a minimum investment below $250,000 and be open to the general public. An exception to the latter rule is made for certain widely held membership only funds, such as those of the American Association of Retired Persons. Exchange funds, a dying breed that under tax laws cannot accept new clients, are no longer covered.

You won't find brand new funds in this survey. A fund must have 12 months of performance data before we add it to our catalog. It also must reach a certain size: $25 million for domestic equity funds or foreign funds of any type; $100 million for bond funds and tax free money markets; $500 million for taxable money markets. Our roster of money market funds is very short because it is confined to the ones with the lowest expense ratios, for reasons explained on page 192.

The Forbes honor roll of stock funds that have turned in the best and most consistent performance in the past appears on page 88. Our recommended lists of funds with low expenses and good returns are called Best Buys, beginning on page 90. Phone numbers appear in the distributor listing at the back of the survey. ■

Stock funds

FORBES grades stock funds against the three latest market cycles of the S&P 500. To be graded, a fund must have been in existence for at least two of the market cycles—that is, since June 30, 1983. This table covers funds that have at least $25 million in assets and at least 12 months of performance history. Each fund's name is followed by that of its distributor; the table of distributors at the end of the fund survey has phone numbers. Closed end funds have no distributor; they can be bought and sold in the secondary market and are traded just like common stock. For information on a closed end fund contact your stock broker. Balanced funds, global stock funds and foreign stock funds are graded separately against different benchmarks, see pages 152, 158 and 160.



The Standard & Poor's 500 price return index scaled so that Nov. 30, 1980 is 100, shows the market cycles against which FORBES measures U.S. stock fund performance

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		AAL Capital Growth Fund/AAL	—*	14.2%	2.0%	$458	105%	4.75%	*$1.28a*
		AARP Growth–Capital Growth/Scudder	—*	16.0	0.8	390	82	none	1.17
		AARP Growth–Growth & Income/Scudder	—*	18.1	3.3	654	96	none	0.96
D	D	**ABT Growth & Income Trust/ABT**	9.1%	8.9	2.3	88	-6	4.75	*1.27*
■ A	■ D	**ABT Invest–Emerging Growth/ABT**	—*	24.4	none	26	32	4.75	*1.59*
F	A	**ABT Utility Income Fund/ABT**	10.8	13.4	5.1	140	-1	4.75	*1.24*
B	C	**Acorn Fund/Acorn**	13.7	22.9	1.1	1,199	24	†	0.71
C	B	**Adams Express/closed-end**	12.3	11.4	2.7	635	6	NA	0.46
		Addison Capital Fund/Addison	—*	9.7	1.4	31	9	3.00	*2.09*
		Advantage Growth Fund/Advest	—*	14.9	0.2	50	57	4.00b	*2.10*

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. §Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	A	Aegon USA Growth/Aegon	13.0%	22.3%	1.5%	$44	15%	4.75%	*$1.[illegible]*
C	B	Affiliated Fund/Lord Abbett	13.6	16.3	3.9	3,623	7	5.75	*0.58*
A	C	AIM Equity–Charter Fund/AIM	13.2	12.2	2.0	1,058	439	5.50	*1.15*
A+	F	AIM Equity–Constellation/AIM	12.4	22.0	none	787	234	5.50	*1.20*
A+	D	AIM Equity–Weingarten Fund/AIM	15.1	11.0	0.4	4,451	168	5.50	*1.10*
C	C	AIM Growth Fund[1]/AIM	10.8	7.6	0.9	163	-2	5.00	*1.21*
■A	■D	AIM Summit Fund/AIM	—*	13.6	1.4	504	27	**	0.75
		AIM Utilities Fund[2]/AIM	—*	19.6	4.9	97	33	5.00	*1.23*
		AIM Value Fund[3]/AIM	—*	22.9	0.8	176	60	5.00	*1.22*
		Alger Fund–Small Capitalization/Alger	—*	5.9	none	137	183	5.00b	*2.23*
		Alliance Counterpoint Fund/Alliance	—*	15.8	0.9	68	22	5.50	*1.64*
B	D	Alliance Fund-A/Alliance	10.9	15.0	0.9	708	5	5.50	*0.83*
D	D	Alliance Global–Small Cap-A/Alliance	7.0	5.7	none	66	-16	5.50	*2.28*
C	B	Alliance Growth & Income-A/Alliance	13.8	10.7	2.5	436	12	5.50	*1.16*
B	D	Alliance Quasar Fund-A/Alliance	11.8	3.4	none	280	-11	5.50	*1.64*
B	■D	Alliance Technology Fund/Alliance	—*	15.2	none	144	-4	5.50	*1.71*
		Charles Allmon Trust/closed-end	*	5.3	4.2	124	3	NA	1.34
C	B	AmCap Fund/American Funds	13.7	13.9	1.3	2,678	22	5.75	*0.75*
B	A	American Capital Comstock/American Cap	14.4	13.8	2.3	905	4	8.50	0.82
C	A+	American Capital Emerging Grow-A/American Cap	13.1	15.5	0.2	312	19	5.75	*1.14*
B	D	American Capital Enterprise-A/American Cap	10.3	14.3	1.3	680	13	5.75	*0.97*
D	B	American Capital Growth & Inc/American Cap	12.4	15.9	3.0	167	8	5.75	*1.14*
C	A	American Capital Pace Fund-A/American Cap	14.7	10.3	1.8	2,360	0	5.75	*1.01*
		American Gas Index Fund/Rushmore	—*	9.6	4.4	145	15	none	0.85a
F	A	American Growth Fund/American Growth	9.9	16.5	0.7	55	2	8.50	1.52
		American Heritage Fund/Amer Heritage	—*	40.0	32.3	28	NM	none	2.20
F	F	American Investors Growth/Amer Investors	-0.7	-3.3	none	49	-17	4.50	1.56a
D	A	American Leaders Fund/Federated	14.7	15.9	2.0	173	17	4.50	1.02a
D	A	American Mutual Fund/American Funds	15.0	12.5	4.1	4,464	14	5.75	*0.63*
C	C	American National Growth/Securities Mgmt	12.6	8.2	1.3	113	6	8.50	1.04
D	A+	American National Income/Securities Mgmt	14.4	13.2	2.8	104	24	8.50	1.23
		American Performance Equity/Winsbury	—*	6.4	1.7	92	48	4.00	*1.22a*
B	C	Amway Mutual Fund/Amway	10.8	6.3	0.1	52	10	3.00	1.10
F	A	Analytic Optioned Equity Fund/Analytic	10.7	8.3	2.7	88	-18	none	1.10
		API Trust–Growth/Amer Pension	—*	7.2	none	40	37	none	*1.97a*
		ASO Outlook Group Equity/Winsbury	—*	11.0	2.5	102	233	4.50	0.96a
A	F	Axe-Houghton Growth/USF&G	9.3	3.1	none	68	-13	5.75	*1.43*

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Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Babson Enterprise Fund/Jones & Babson	—*	23.3%	0.5%	$166	46%	†	$1.17
C	D	Babson Growth Fund/Jones & Babson	10.2%	8.0	1.7	232	-1	none	0.86
		Babson Value Fund/Jones & Babson	—*	16.2	3.3	34	25	none	1.01
		Baird Blue Chip Fund/Baird	—*	11.1	1.2	59	36	5.75%	*1.50*
		Baird Capital Development Fund/Baird	—*	12.6	0.5	34	36	5.75	*1.66*
F	C	Baker, Fentress & Co/closed-end	9.9	10.3	2.4	415	5	NA	0.84
		Baron Asset Fund/Baron	—*	10.9	0.2	42	-7	none	*1.60*
■ D	■ A	Bartlett Capital–Basic Value/Bartlett	—*	16.6	2.5	88	-5	none	1.22
		Benham Equity Growth/Benham	—*	13.3	2.5	55	758	none	0.35a
		Benham Income & Growth/Benham	—*	15.4	3.8	100	NM	none	0.50a
A	D	Berger One Hundred/Berger	13.2	24.1	none	358	869	none	*1.82*
C	B	Berger One Hundred and One/Berger	12.9	32.5	2.5	26	NM	none	*2.86*
A+	A	Bergstrom Capital/closed-end	19.8	25.3	0.8	117	31	NA	0.88
		Berwyn Fund/Berwyn	—*	25.4	0.7	34	107	none§	1.38
C	C	Wm Blair–Growth/Wm Blair	11.9	15.3	0.8	93	28	none	0.86
		Blue Chip Value Fund/closed-end	—*	10.6	8.4	72	1	NA	1.29
D	C	Boston Co Capital Appreciation/Boston Co	11.8	8.9	1.7	443	-7	none	*1.20*
		Boston Co Special Growth Fund/Boston Co	—*	9.7	1.4	46	25	none	*1.70*
		Brandywine Fund/Brandywine	—*	13.7	0.7	649	46	none	1.09
F	D	Bull & Bear Special Equities[1]/Bull & Bear	4.2	2.8	none	53	224	none	*2.83*
D	B	Burnham Fund/Burnham	12.1	11.0	6.0	115	-5	5.00	1.20
		Calvert-Ariel Appreciation Fund/Calvert	—*	7.2	0.9	131	171	4.75	*1.50*
		Calvert-Ariel Growth Fund/Calvert	—*	9.7	1.6	256	3	†	*1.25*
		Calvert Social Inv–Equity/Calvert	—*	4.4	1.2	59	59	4.75	1.17a
		Capital Income Builder/American Funds	—*	18.5	4.8	926	123	5.75	*0.98*
B	B	Cardinal Fund/Cardinal	14.2	15.4	2.9	252	19	8.50	0.69
D	D	Central Securities/closed-end	8.9	11.0	1.2	137	11	NA	0.96
A	A	Century Shares Trust/Century Shares	16.6	19.2	1.9	162	10	none	0.95
A+	B	CGM Capital Development/TNE	21.4	31.7	0.3	312	31	†	0.88
		Chancellor Growth & Income/USF&G	—*	13.2	1.7	32	3	†	*1.48*
		Clipper Fund/Pacific Finl	—*	21.4	2.4	175	28	none	1.17
B	D	Colonial Growth Shares Trust-A/Colonial	11.9	10.0	1.3	166	29	5.75	*1.15*
		Colonial US Equity Index-A/Colonial	—*	11.6	1.7	51	22	5.75	*1.43*
B	C	Columbia Growth Fund/Columbia	14.0	10.5	1.6	428	13	none	0.86
		Columbia Special Fund/Columbia	—*	16.3	none	331	64	none	1.19
		Common Sense–Growth/Common Sense	—*	15.1	1.1	1,505	30	8.50	1.26
		Common Sense–Growth & Inc/Common Sense	—*	14.8	2.0	551	21	8.50	1.14

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	A	Composite Growth Fund/Murphey	12.8%	10.6%	2.8%	$79	15%	4.00%	*$1.19*
		Composite Northwest 50 Fund/Murphey	—*	5.7	0.5	145	85	4.50	*1.12a*
		Connecticut Mutual-Growth/Phelps	—*	18.6	1.6	41	26	5.00	1.15
F	■ A	Copley Fund/Copley	—*	14.7	none	32	14	none	1.38a
		Counsellors Capital Appreciation/Counsellors	—*	11.0	0.5	117	8	none	1.07
		Counsellors Emerging Growth/Counsellors	—*	20.7	1.0	91	199	none	1.25a
		Counsellors Tandem Securities/closed-end	—*	14.4	none	73	6	NA	1.30
C	C	Country Capital Growth Fund/Country Cap	11.0	4.2	2.2	76	-7	3.00	0.85
		Cowen Income + Growth Fund/Cowen	—*	17.5	3.9	32	1	4.85	*2.26*
B	C	Dean Witter American Value/Dean Witter	11.5	17.6	0.3	363	193	5.00b	*1.58*
		Dean Witter Capital Growth/Dean Witter	—*	6.4	none	903	101	5.00b	*1.74*
■ D	■ D	Dean Witter Developing Growth/Dean Witter	—*	0.4	none	114	15	5.00b	*1.88*
B	■ A	Dean Witter Dividend Growth/Dean Witter	—*	14.6	2.9	4,325	36	5.00b	*1.42*
		Dean Witter Equity Income[1]/Dean Witter	—*	7.2	4.6	151	9	5.00b	*2.09*
D	■ C	Dean Witter Natural Resource Dev/Dean Witter	—*	3.4	2.0	115	-14	5.00b	*1.93*
		Dean Witter Utilities Fund/Dean Witter	—*	15.4	5.2	2,299	52	5.00b	*1.59*
		Dean Witter Value-Added Mkt-Equity/Dean Witter	—*	11.8	1.1	193	38	5.00b	*1.70*
D	A	Delaware Group Decatur Fund I/Delaware	13.8	12.8	4.9	1,542	-6	8.50	0.71
		Delaware Group Decatur Fund II/Delaware	—*	13.0	3.8	406	5	5.75	*1.21*
		Delaware Group DelCap Fund I/Delaware	—*	3.3	0.2	922	177	5.75	*1.43*
A+	C	Delaware Group Trend Fund/Delaware	15.5	29.3	none	125	58	5.75	*1.39*
		Delaware Group Value Fund/Delaware	—*	27.7	none	30	249	5.75	*2.00*
B	B	Dodge & Cox Stock Fund/Dodge & Cox	14.7	10.2	2.6	315	32	none	0.64
		Dreyfus Appreciation[2]/Dreyfus	—*	17.1	1.4	126	129	none	*1.30*
C	C	Dreyfus Capital Growth[3]/Dreyfus	11.5	12.4	2.2	504	5	3.00	1.14
		Dreyfus Capital Value Fund/Dreyfus	—*	0.4	4.5	579	-24	4.50	*1.68*
D	B	Dreyfus Fund/Dreyfus	11.9	11.8	2.8	2,914	7	none	0.78
D	D	Dreyfus Growth Opportunity Fund/Dreyfus	8.2	13.0	1.1	586	14	none	0.95
		Dreyfus New Leaders Fund/Dreyfus	—*	15.2	0.7	201	25	none	*1.29a*
		Dreyfus Strategic Growth[4]/Dreyfus	—*	4.7	none	52	-11	3.00	*1.58a*
		Dreyfus Strategic Investing/Dreyfus	—*	7.9	0.8	229	88	4.50	*1.93*
C	D	Dreyfus Third Century Fund/Dreyfus	9.4	5.5	1.0	445	71	none	1.04
		Eaton Vance Equity-Income/Eaton Vance	—*	6.2	4.3	50	-5	6.00b	*2.58*
B	B	Eaton Vance Growth Fund/Eaton Vance	13.2	13.6	0.5	139	7	4.75	*0.89*
C	B	Eaton Vance Special Equities/Eaton Vance	11.3	8.6	none	66	8	4.75	*0.94*
C	B	Eaton Vance Stock Fund/Eaton Vance	12.4	11.3	2.9	87	3	4.75	*0.94*
C	■ A	Eaton Vance Total Return Trust/Eaton Vance	—*	19.0	5.6	534	12	4.75	*1.13*

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Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum	Annual
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91	sales charge	expenses per $100
		Standard & Poor's 500 stock average	**14.1%**	**13.4%**	**3.0%**				
		Forbes stock fund composite	**12.3%**	**14.0%**	**1.8%**				**$1.27**
		Eclipse Financial Asset–Equity/Eclipse	—*	9.5%	1.0%	$145	7%	none	$1.14
		Emblem–Earnings Momentum Equity/Winsbury	—*	-1.8	0.6	40	28	4.00%	1.04
		Emblem–Ohio Regional Equity/Winsbury	—*	22.2	1.8	33	55	4.00	1.04
		Emblem–Relative Value Equity/Winsbury	—*	9.5	1.6	203	25	4.00	0.91
		Enterprise Group–Cap Apprec/Enterprise	—*	20.2	none	50	156	4.75	*1.75a*
B	B	**Enterprise Group–Growth/Enterprise**	15.0%	14.1	0.9	75	17	4.75	*1.60a*
		Enterprise Group–Growth & Inc/Enterprise	—*	13.6	2.9	36	19	4.75	*1.50a*
		Equitable Funds–Growth-A/Equitable	—*	23.9	1.3	47	86	5.25	*1.40a*
		Equitable Funds–Growth & Income-A/Equitable	—*	15.0	2.3	41	248	5.25	*1.40a*
B	■ C	**Equity Strategies Fund/Whitman**	—*	22.7	none	76	20	†	1.12
C	C	**Evergreen Fund/Lieber**	11.9	11.5	1.3	736	3	none	1.14
■ B	■ A	**Evergreen Limited Market Fund/Lieber**	—*	14.0	0.7	58	31	†	1.25
D	A	**Evergreen Total Return Fund/Lieber**	13.9	12.8	5.6	1,041	-6	none	1.21
		Evergreen Value Timing Fund/Lieber	—*	12.0	1.5	50	17	none	1.41
F	C	**FBL–Growth Common Stock/FBL**	7.7	9.0	4.7	38	5	5.00b	*1.67*
		Federated Growth Trust/Federated	—*	12.5	1.7	373	69	none	1.01a
C	■ A	**Federated Stock Trust/Federated**	—*	15.5	2.2	380	3	none	0.98
		Fidelity Advisor Equity–Growth/Fidelity	—*	15.0	0.1	121	115	4.75	1.03
■ C	■ B	**Fidelity Advisor Equity–Inc/Fidelity**	—*	18.9	3.6	128	-28	4.75	0.67a
		Fidelity Advisor–Growth Oppors[1]/Fidelity	—*	19.3	0.4	451	229	4.75	*1.63*
		Fidelity Blue Chip Growth Fund/Fidelity	—*	21.9	0.4	434	129	3.00	1.29
		Fidelity Capital Appreciation/Fidelity	—*	10.0	4.4	1,149	-14	3.00	0.71
A+	C	**Fidelity Contrafund/Fidelity**	15.9	25.9	0.4	1,287	114	3.00	0.89
A+	B	**Fidelity Destiny Portfolio I/Fidelity**	18.4	19.5	3.0	2,373	17	**	0.57
		Fidelity Destiny Portfolio II/Fidelity	—*	19.7	1.4	479	47	**	0.87
		Fidelity Disciplined Equity/Fidelity	—*	20.2	1.4	245	85	none	1.18
		Fidelity Emerging Growth/Fidelity	—*	12.3	none	511	78	3.00	1.31
D	A	**Fidelity Equity-Income/Fidelity**	15.1	18.9	4.2	4,600	12	2.00	0.68
		Fidelity Equity-Income II/Fidelity	—*	26.7	3.2	1,221	NM	none	1.52
B	B	**Fidelity Fund/Fidelity**	13.4	8.8	2.5	1,316	5	none	0.68
		Fidelity Growth & Income/Fidelity	—*	17.2	1.8	4,050	66	2.00	0.86
■ A	■ D	**Fidelity Growth Company/Fidelity**	—*	10.8	0.4	1,361	33	3.00	1.07
		Fidelity Low-Priced Stock Fund/Fidelity	—*	28.8	1.0	850	297	none[2]	1.21
A+	A	**Fidelity Magellan Fund/Fidelity**	21.3	16.7	1.5	20,554	35	3.00	1.05
		Fidelity Market Index[3]/Fidelity	—*	13.1	2.7	233	79	none	0.35a
		Fidelity OTC Portfolio/Fidelity	—*	18.3	0.5	1,032	27	3.00	1.17

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Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Fidelity Real Estate Investment/Fidelity	—*	17.5%	4.0%	$80	46%	none	$1.24
■ A	■ C	Fidelity Retirement Growth/Fidelity	—*	25.1	1.1	1,942	33	none	0.83
		Fidelity Select–Automotive/Fidelity	—*	43.5	0.1	112	NM	3.00%	2.48
		Fidelity Select–Biotechnology/Fidelity	—*	16.8	none	787	63	3.00	1.50
		Fidelity Select–Chemicals/Fidelity	—*	19.5	0.3	36	34	3.00	2.16
		Fidelity Select–Computers/Fidelity	—*	10.3	none	25	30	3.00	2.17
		Fidelity Select–Develop Commun/Fidelity	—*	24.6	none	37	543	3.00	2.50
		Fidelity Select–Electric Utilities/Fidelity	—*	21.0	2.3	29	26	3.00	1.83
F	■ C	Fidelity Select–Energy/Fidelity	—*	-0.1	1.3	80	-7	3.00	1.78
		Fidelity Select–Energy Service/Fidelity	—*	-14.1	none	46	-19	3.00	2.07
		Fidelity Select–Environ Services/Fidelity	—*	-9.1	none	58	-37	3.00	2.03
A	■ B	Fidelity Select–Financial Services/Fidelity	—*	51.1	1.0	110	180	3.00	1.85
		Fidelity Select–Food & Agriculture/Fidelity	—*	11.3	0.4	102	39	3.00	1.83
A+	■ D	Fidelity Select–Health Care/Fidelity	—*	10.2	none	814	27	3.00	1.44
		Fidelity Select–Industrial Materials/Fidelity	—*	25.2	0.1	30	183	3.00	2.47
		Fidelity Select–Leisure/Fidelity	—*	22.0	none	38	-1	3.00	2.21
		Fidelity Select–Medical Delivery/Fidelity	—*	5.4	none	110	-8	3.00	1.69
		Fidelity Select–Regional Banks/Fidelity	—*	59.4	1.0	195	574	3.00	1.77
		Fidelity Select–Retailing/Fidelity	—*	20.7	none	43	45	3.00	1.87
		Fidelity Select–Savings & Loan/Fidelity	—*	60.4	0.8	95	NM	3.00	2.08
		Fidelity Select–Software & Comp/Fidelity	—*	26.9	none	60	329	3.00	1.98
B	■ F	Fidelity Select–Technology/Fidelity	—*	19.4	0.0	93	1	3.00	1.72
		Fidelity Select–Telecommun/Fidelity	—*	17.8	1.2	72	39	3.00	1.90
C	■ A	Fidelity Select–Utilities/Fidelity	—*	17.9	3.7	239	23	3.00	1.51
		Fidelity Special Sits-Advisor[1]/Fidelity	—*	11.4	3.2	195	-7	4.75	*1.39*
		Fidelity Stock Selector/Fidelity	—*	19.2	0.5	244	189	3.00[2]	1.31
B	D	Fidelity Trend Fund/Fidelity	11.0%	15.7	1.0	851	9	none	0.53
		Fidelity Utilities Income/Fidelity	—*	18.4	4.6	720	126	none	0.95
B	B	Fidelity Value Fund/Fidelity	13.4	19.2	2.6	307	163	none	1.00
D	■ C	Fiduciary Capital Growth/Fiduciary Mgmt	—*	14.1	0.9	34	13	none	1.48
B	D	Financial Dynamics Fund/Invesco	10.8	21.2	0.0	143	70	none	*1.18*
B	C	Financial Industrial Fund/Invesco	10.6	11.9	1.2	407	5	none	*1.06*
A	B	Financial Industrial Income/Invesco	15.7	17.0	2.7	2,093	138	none	*0.98*
		Financial Series–Equity/Invesco	—*	13.3	2.2	64	81	none	0.98
		Financial Series–Flex/Invesco	—*	14.7	4.0	104	79	none	0.92
		Financial Strategic–Finl Svcs/Invesco	—*	41.0	0.8	242	493	none	1.15

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Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Financial Strategic–Gold/Invesco	—*	-8.6%	none	$49	10%	none	$1.51
		Financial Strategic–Health Sci/Invesco	—*	14.8	0.3%	759	111	none	1.04
		Financial Strategic–Leisure/Invesco	—*	24.1	none	35	201	none	1.94
		Financial Strategic–Technology/Invesco	—*	30.4	none	131	238	none	1.22
		Financial Strategic–Utilities/Invesco	—*	19.9	2.9	82	63	none	1.24
		First Eagle Fund of America/First Eagle	—*	15.6	0.6	78	5	none§	2.90
		First Financial Fund/closed-end	—*	77.0	0.7	110	67	NA	1.23
		First Investors Blue Chip/First Inv	—*	9.2	1.0	88	32	6.90%	*1.53a*
		Flag Investors Emerging Growth/Brown	—*	5.5	none	42	-3	4.50	*1.50a*
		Flag Investors Quality Growth/Brown	—*	7.5	1.0	67	26	4.50	*1.25a*
		Flag Investors Telephone Income/Brown	—*	12.1	3.9	265	33	4.50	*0.92a*
■F	■A	Flex-funds–Growth Fund[1]/Flex	—*	6.9	2.1	34	15	none	*1.49*
		Flex-funds–Muirfield Fund/Flex	—*	10.1	0.6	50	42	none	*1.43*
		Fortis Advantage–Capital Apprec/Fortis	—*	15.6	none	39	65	4.50	*1.70*
B	B	Fortis Capital Fund[2]/Fortis	14.4%	20.3	0.6	215	28	4.75	*1.22*
A	■C	Fortis Fiduciary Fund[3]/Fortis	—*	21.3	0.5	42	20	4.75	*1.42*
A	C	Fortis Growth Fund[4]/Fortis	14.6	18.5	0.1	461	66	4.75	*1.14*
		Fortress Utility Fund/Federated	—*	17.2	5.7	260	255	2.00b	1.11a
C	C	Founders Blue Chip/Founders	12.4	6.6	0.9	273	6	none	*1.10*
		Founders Discovery Fund/Founders	—*	23.2	none	55	174	none	*1.77*
		Founders Frontier Fund/Founders	—*	12.5	0.0	107	48	none	*1.68*
B	C	Founders Growth Fund/Founders	12.6	14.8	0.7	122	22	none	*1.45*
A	D	Founders Special Fund/Founders	11.9	18.1	0.6	275	128	none	1.15
A	C	FPA Capital Fund/FPA	12.2	19.0	0.6	100	19	6.50	1.08
B	A	FPA Paramount Fund/FPA	16.2	9.2	2.9	272	16	†	0.91
		FPA Perennial Fund/FPA	—*	14.7	2.8	64	11	6.50	1.10
C	D	Franklin DynaTech Fund/Franklin	10.6	12.0	1.2	63	40	4.00	0.80
C	D	Franklin Equity Fund/Franklin	10.9	2.9	2.0	365	-3	4.00	0.68
C	B	Franklin Growth Fund/Franklin	14.0	6.7	2.6	495	80	4.00	0.64
		Franklin Rising Dividends/Franklin	—*	12.3	2.0	99	104	4.00	*1.53*
D	A+	Franklin Utilities Fund/Franklin	16.5	21.1	6.2	1,883	83	4.00	0.56
		Freedom Inv–Gold & Govt-A/Hancock	—*	11.2	6.1	53	-9	4.50	*1.46*
		Freedom Inv–Regional Bank-A/Hancock	—*	49.2	1.9	77	51	4.50	*1.41*
		Freedom Inv III–Environmental-A/Hancock	—*	-5.8	none	29	-37	4.50	*2.14*
A	B	Fundamental Investors/American Funds	15.5	14.2	2.3	1,254	30	5.75	*0.69*
		FundTrust–Aggressive Growth/Signature	—*	12.6	1.9	28	31	1.50	*1.75a*

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Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Gabelli Asset Fund/Gabelli	—*	12.0%	2.0%	$554	25%	none	*$1.30*
		Gabelli Equity Trust/closed-end	—*	6.1	1.8	601	18	NA	1.24
		Gabelli Growth Fund/Gabelli	—*	12.4	0.8	498	62	none	*1.45*
		Gabelli Value Fund/Gabelli	—*	7.2	1.9	474	-39	5.50%	*1.45*
D	A	Gateway Index Plus Fund/Gateway	10.7%	11.9	1.9	128	101	none	1.22
A	C	General American Investors/closed-end	14.3	14.5	0.4	524	10	NA	1.02
C	B	General Securities/Craig-Hallum	13.0	15.6	4.3	26	15	5.00	1.39
		Gintel Capital Appreciation Fund/Gintel	—*	13.5	0.6	42	19	none	2.00
D	■ A	Gintel Erisa Fund/Gintel	—*	6.7	2.6	54	-33	none	1.46
C	■ B	Gintel Fund/Gintel	—*	14.0	2.0	83	-5	none	1.36
		GIT Equity Trust–Special Growth/GIT	—*	-1.5	1.0	55	-4	none	1.39
		Gradison Established Growth/Gradison	—*	4.2	2.2	176	14	none	*1.31*
		Gradison Opportunity Growth/Gradison	—*	14.9	1.1	48	64	none	*1.49*
B	B	Growth Fund of America/American Funds	13.9	11.9	1.6	3,611	41	5.75	*0.83*
		Growth Fund of Washington/Washington	—*	5.9	1.1	32	-17	5.00	*1.64*
		GS Capital Growth Fund/Goldman	—*	22.0	2.2	528	12	5.50	*1.53a*
		GS Select Equity Fund/Goldman	—*	5.1	0.1	134	19	5.50	*1.57a*
		GT Global Growth–America/GT Global	—*	5.6	0.1	87	-3	4.75	*1.70*
B	B	Guardian Park Ave Fund/Guardian	15.7	16.4	3.7	280	8	4.50	0.68
		GW Sierra–Equity Opportunity/Gt Western	—*	23.0	0.2	28	224	4.50	*2.00*
		GW Sierra–Growth & Income/Gt Western	—*	8.6	1.5	84	146	4.50	*1.50*
C	D	John Hancock Growth Fund/Hancock	9.4	8.5	0.3	132	5	5.00	*1.44*
C	A	John Hancock Sovereign Inv[1]/Hancock	15.1	15.3	2.7	482	357	5.00	*1.18*
		John Hancock Special Equities/Hancock	—*	26.8	none	34	164	5.00	*2.14*
■ D	■ C	John Hancock Tech–Global Tech/Hancock	—*	8.0	0.3	29	-6	5.00	2.32
D	D	John Hancock Tech–Natl Aviation/Hancock	8.2	3.0	0.1	66	-5	5.00	1.64
		H&Q Healthcare Investors/closed-end	—*	24.5	0.2	104	20	NA	1.71
		Harbor Capital Appreciation/HCA	—*	22.7	0.3	73	3	none	0.86
		Harbor Growth Fund/HCA	—*	2.5	0.4	189	-2	none	0.89
		Harbor Value/HCA	—*	11.1	3.2	58	66	none	0.80a
A+	F	Hartwell Emerging Growth/Keystone	10.2	18.5	none	143	198	4.75	*1.56*
		Heartland Group–Value Fund/Heartland	—*	28.0	none	36	43	4.50	*1.80*
		Heritage Capital Appreciation/Heritage	—*	16.8	1.9	65	6	4.00	*1.74a*
		HighMark Income Equity/Winsbury	—*	15.6	4.0	69	51	none	1.11a
		HT Insight–Equity Fund/TBC	—*	12.0	2.4	31	3	4.50	*0.94a*
		Wayne Hummer Growth Fund/Hummer	—*	12.4	1.8	61	66	none	1.23

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[1] Formerly Sovereign Investors Fund.

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STOCK FUNDS

FUND SURVEY

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
A	B	IAI Regional Fund/IAI Funds	15.5%	10.1%	1.1%	$553	70%	none	*$1.25*
D	B	IAI Stock Fund/IAI Funds	13.0	11.3	0.9	115	24	none	*1.25*
		IAI Value/IAI Funds	—*	8.0	1.1	29	19	none	*1.25*
		IDEX Fund/Aegon	—*	20.6	0.6	285	77	8.50%	1.32
		IDEX II/Aegon	—*	18.9	0.4	307	214	5.50	*1.61*
		IDEX Fund 3/Aegon	—*	16.9	0.5	198	16	†	1.21
		IDS Blue Chip Advantage/IDS	—*	11.7	1.8	100	83	5.00	*1.11a*
B	■ D	IDS Discovery Fund/IDS	—*	10.6	0.2	274	45	5.00	*0.98*
		IDS Diversified Equity Income/IDS	—*	19.6	4.9	109	611	5.00	0.95a
B	C	IDS Equity Plus/IDS	12.7	12.4	1.4	436	10	5.00	0.77
A	D	IDS Growth Fund/IDS	13.5	15.2	1.0	819	11	5.00	0.87
		IDS Managed Retirement Fund/IDS	—*	19.6	2.1	1,208	38	5.00	0.95
A	C	IDS New Dimensions Fund/IDS	16.5	17.3	1.2	2,107	60	5.00	0.93
D	B	IDS Progressive Fund/IDS	11.2	10.9	2.5	159	21	5.00	0.98
C	B	IDS Stock Fund/IDS	12.6	12.1	3.2	1,602	13	5.00	0.72
		IDS Strategy–Aggressive Equity/IDS	—*	11.7	0.1	455	29	5.00b	*1.74*
		IDS Strategy–Equity/IDS	—*	17.7	2.4	545	41	5.00b	*1.73*
		IDS Utilities Income/IDS	—*	19.0	5.1	406	61	5.00	0.92
		Inefficient-Market Fund/closed-end	—*	7.5	6.3	47	0	NA	1.40
B	B	Investment Co of America/American Funds	15.6	13.3	2.6	12,637	65	5.75	*0.59*
D	D	Investors Research Fund/Diversified	10.7	8.3	1.2	61	0	6.75	0.90
C	A	Ivy Growth Fund/Ivy	15.1	9.5	1.7	215	3	5.75	*1.32*
A	A	Janus Fund/Janus	16.7	19.1	1.0	4,379	123	none	0.96
		Janus Growth & Income Fund/Janus	—*	23.9	0.9	193	NM	none	1.62
		Janus Twenty Fund/Janus	—*	22.1	0.1	2,116	287	none	1.01a
		Janus Venture Fund/Janus	—*	16.0	0.5	1,481	99	†	1.02a
D	B	JP Growth Fund/Jefferson-Pilot	12.6	9.5	1.9	31	10	5.50	0.87
		Kaufmann Fund/Kaufmann	—*	18.3	none	174	156	none§	*3.12*
		Kemper Blue Chip Fund/Kemper	—*	10.9	1.1	153	202	5.75	1.46
		Kemper Environmental Services/Kemper	—*	-7.3	none	50	-22	5.75	1.53
A	D	Kemper Growth Fund/Kemper	13.2	15.6	0.4	1,255	158	5.75	1.03
		Kemper Invest–Growth[1]/Kemper	—*	10.7	none	647	74	3.00b	*2.13*
A	D	Kemper Small Cap Equity[2]/Kemper	12.2	19.2	0.2	304	26	5.75	1.27
C	D	Kemper Technology Fund/Kemper	9.0	7.2	0.3	535	-1	5.75	0.78
A	F	Keystone America Omega/Keystone	10.6	15.9	0.4	59	27	4.75	*1.45*
C	D	Keystone Custodian K-2/Keystone	10.6	11.4	0.8	309	3	4.00b	*1.62*

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	C	Keystone Custodian S-1/Keystone	10.1%	9.0%	1.5%	$184	12%	4.00%b	*$1.91*
C	D	Keystone Custodian S-3/Keystone	11.0	11.0	0.9	243	0	4.00b	*1.45*
A	F	Keystone Custodian S-4/Keystone	7.2	16.8	none	759	35	4.00b	*1.46*
		Kidder, Peabody Equity Income/Kidder	—*	15.9	1.0	146	62	5.75	*1.27*
		Laurel Funds-Stock/Russell	—*	14.3	1.5	41	114	none	*0.90a*
		Legg Mason Special Investment/Legg Mason	—*	12.1	0.9	206	68	none	*2.07a*
		Legg Mason Total Return Trust/Legg Mason	—*	25.1	2.5	70	167	none	*2.07*
■C	■B	Legg Mason Value Trust/Legg Mason	—*	18.5	1.6	756	13	none	*1.88a*
B	B	Lexington Corp Leaders Trust/Lexington	14.0	12.9	3.4	98	9	none	0.67
D	C	Lexington Growth & Income/Lexington	11.1	12.2	2.0	117	5	none	*1.38*
		Liberty All-Star Equity Fund/closed-end	—*	14.8	5.3	620	17	NA	1.16
		Liberty Utility Fund/Federated	—*	17.3	5.4	462	161	4.50	1.05a
		Lindner Dividend Fund/Lindner	—*	23.6	8.4	382	106	none	0.80
D	A+	Lindner Fund/Lindner	16.9	17.5	3.3	978	25	none	0.80
D	D	Lord Abbett Developing Growth/Lord Abbett	6.9	6.6	0.2	131	3	5.75	*1.14*
		Lord Abbett Fundamental Value/Lord Abbett	—*	13.4	2.1	26	7	5.75	*1.86*
■B	■C	Lord Abbett Value Appreciation/Lord Abbett	—*	17.0	1.9	158	2	5.75	*1.14*
C	A	Lutheran Brotherhood Fund/Lutheran	14.0	13.2	1.7	394	22	5.00	1.00
		Mackenzie American Fund/Mackenzie	—*	2.1	0.3	38	-13	5.75	*2.00*
		Main Street–Income & Growth/Oppenheimer	—*	37.7	1.4	27	68	4.75	*1.84*
		MainStay–Capital Appreciation/NYLife	—*	27.0	none	121	134	5.00b	*1.88*
		MainStay–Equity Index Fund/NYLife	—*	13.9	1.4	39	77	5.50	1.10
		MainStay–Value Fund/NYLife	—*	23.8	0.7	72	79	5.00b	*1.88*
A	C	Mairs & Power Growth Fund/Mairs & Power	13.6	11.2	1.2	31	13	none	1.09
B	D	Horace Mann Growth Fund/Mann	12.0	11.5	3.0	131	15	†	0.76
B	C	Mass Investors Growth Stock/MFS	11.5	15.7	none	958	10	5.75	*0.77*
B	C	Mass Investors Trust/MFS	12.8	11.9	2.8	1,487	7	5.75	*0.62*
D	C	Mathers Fund/Mathers	10.6	3.4	5.0	540	24	none	0.94
		Mentor Growth Fund¹/Wheat First	—*	15.2	none	110	18	5.00b	*2.17*
C	B	Merrill Lynch Basic Value-A/ML Funds	14.6	14.8	3.7	2,735	16	6.50	0.58
C	A	Merrill Lynch Capital Fund-A/ML Funds	15.4	13.1	5.0	3,517	75	6.50	0.58
		Merrill Lynch Fund for Tomorrow-A/ML Funds	—*	14.7	2.2	454	2	6.50	0.95
		Merrill Lynch Grow Inv & Retire-A/ML Funds	—*	-5.0	none	810	5	6.50	0.85
		Merrill Lynch Natural Resources-A/ML Funds	—*	3.0	3.4	259	0	6.50	0.95
F	D	Merrill Lynch Special Value-A/ML Funds	4.7	16.8	0.6	84	59	6.50	1.55
		Merrill Lynch Strategic Div-A/ML Funds	—*	12.2	4.1	267	-16	6.50	0.88

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STOCK FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Merriman Capital Appreciation/Merriman	—*	8.3%	2.4%	$44	9%	none	$1.35a
		MetLife-State Street Cap Apprec/State St	—*	27.0	0.0	116	85	4.50%	*1.50a*
		MetLife-State Street Equity Inc/State St	—*	14.8	3.9	51	13	4.50	*1.50a*
		MetLife-State Street Equity Inv/State St	—*	18.0	0.3	48	36	4.50	*1.50a*
C	C	MFS Capital Development Fund/MFS	11.0%	6.6	1.3	668	-6	5.75	*1.05*
A	■ D	MFS Emerging Growth/MFS	—*	16.4	none	235	25	5.75	*1.43*
		MFS Lifetime Capital Growth/MFS	—*	10.7	none	375	34	6.00b	*2.28*
		MFS Lifetime Emerging Growth/MFS	—*	28.8	none	255	142	6.00b	*2.50*
		MFS Lifetime Managed Sectors/MFS	—*	19.1	none	213	28	6.00b	*2.44*
		MFS Lifetime Total Return/MFS	—*	12.6	2.6	319	32	6.00b	*2.30*
		MFS Managed Sectors/MFS	—*	20.3	none	129	19	5.75	*1.69*
B	D	MFS Research[1]/MFS	11.2	17.1	0.3	233	10	5.75	*1.11*
■ B	■ C	MFS Special Fund/MFS	—*	13.6	0.8	103	-3	5.75	*1.57*
		Midwest Strategic–Utility Income/MGF	—*	16.1	4.2	35	188	4.75	*1.63*
		Monetta Fund/Monetta	—*	20.3	0.4	231	NM	none	1.41
		Montgomery Small-Cap/Montgomery	—*	26.7	none	180	563	†	1.50a
		Morgan Grenfell SmallCap Fund/closed-end	—*	9.1	none	59	5	NA	1.79
		Morgan Keegan Southern Cap/Morgan Keegan	—*	17.5	1.3	29	120	3.00	*2.00a*
D	C	MSB Fund/Nationar	11.2	7.6	1.4	40	-5	none	1.32
A	B	Mutual Benefit Fund/Green Hill	15.9	15.7	2.4	46	9	4.75	0.85
B	C	Mutual of Omaha Growth/Mutual of Omaha	11.4	9.3	0.2	93	41	4.75	*1.22*
C	C	Mutual Series–Beacon/Heine Secs	11.0	15.3	2.9	430	-4	none	0.85
C	A+	Mutual Series–Mutual Shares/Heine Secs	15.4	16.0	2.8	2,674	-1	†	0.82
D	A+	Mutual Series–Qualified/Heine Secs	17.1	16.8	2.9	1,132	-2	†	0.87
D	D	National Industries Fund/Stonebridge	6.9	10.7	1.5	34	4	none	1.62
C	B	National Stock Fund/National Secs	11.0	9.4	1.3	198	-4	5.75	*1.36*
A	B	Nationwide Fund/Nationwide	14.9	10.6	2.4	686	21	7.50	0.60
B	B	Nationwide Growth Fund/Nationwide	15.1	20.5	2.1	313	28	7.50	0.65
		N & B Genesis Fund/N & B	—*	14.9	0.1	70	169	none	2.00a
A	C	N & B Guardian Fund/N & B	14.0	20.0	1.7	756	30	none	0.84
B	C	N & B Manhattan Fund/N & B	13.7	9.9	1.0	392	-2	none	1.10
D	A	N & B Partners Fund/N & B	14.0	13.2	1.8	833	1	none	0.88
C	D	N & B Selected Sectors/N & B	9.1	18.1	1.7	425	10	none	0.93
		New Economy Fund/American Funds	—*	16.5	1.1	1,016	14	5.75	*0.92*
A	C	New York Venture Fund/Venture	15.7	17.8	2.1	461	22	4.75	*0.91*
D	D	Newton Growth Fund/Newton	9.9	7.0	1.9	39	11	none	1.25

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Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Nicholas-Applegate Growth Eq-A/Prudential	—*	18.2%	none	$155	51%	5.25%	*$1.98*
B	A	Nicholas Fund/Nicholas	16.0%	14.1	1.6%	2,269	32	none	0.78
		Nicholas II/Nicholas	—*	6.3	1.0	623	37	none	0.64
		Nicholas Limited Edition/Nicholas	—*	10.8	0.8	165	43	†	0.94
B	C	Northeast Investors Growth/Northeast Inv	11.9	11.6	1.3	37	17	none	1.10
		Oberweis Emerging Growth/Oberweis	—*	16.1	none	33	130	none§	*2.13a*
		Olympic Trust–Equity Income/Olympic	—*	19.3	2.8	71	14	none	1.00a
		Olympus Stock Fund[1]/Olympus	—*	10.7	0.8	42	50	4.75	*1.66*
		Oppenheimer Discovery/Oppenheimer	—*	23.9	none	261	202	5.75	*1.34*
D	B	Oppenheimer Equity Income/Oppenheimer	14.5	10.2	5.3	1,556	12	5.75	*0.82*
C	F	Oppenheimer Fund/Oppenheimer	6.3	10.8	3.3	210	3	5.75	*1.05*
C	C	Oppenheimer Special Fund/Oppenheimer	9.8	15.5	1.4	630	14	5.75	*0.87*
■ C	■ D	Oppenheimer Target[2]/Oppenheimer	—*	10.6	0.8	339	8	5.75	*1.21*
B	D	Oppenheimer Time Fund/Oppenheimer	12.5	8.8	1.5	330	6	5.75	0.95
B	D	Oppenheimer Total Return/Oppenheimer	11.3	14.9	3.1	647	42	5.75	*0.95*
		Oppenheimer Value Stock/Oppenheimer	—*	13.8	2.3	53	16	5.75	*1.26*
D	B	Over-the-Counter Securities Fund/USF&G	10.7	13.0	0.5	220	-10	5.75	*1.34*
		Pacific Horizon–Aggres Growth/Pacific	—*	6.6	none	133	14	4.50	*1.44a*
		Pacifica Equity Value Fund/Furman Selz	—*	11.5	2.0	89	49	4.50	*1.02a*
		PaineWebber Blue Chip Growth-A/PaineWebber	—*	6.4	none	101	-4	4.50	*1.23*
		PaineWebber Dividend Growth/PaineWebber	—*	10.6	1.1	744	285	4.50	*1.42*
		PaineWebber Growth Fund-A/PaineWebber	—*	11.9	0.0	139	63	4.50	*1.56*
		PaineWebber Regional Finl Growth-A/PaineWebber	—*	42.2	0.8	48	12	4.50	*1.72*
		Parkstone Equity/Winsbury	—*	14.8	1.3	408	37	4.50	1.22a
		Parkstone High Income Equity/Winsbury	—*	12.2	3.9	271	79	4.50	1.20a
		Parkstone Small Cap/Winsbury	—*	12.5	none	181	68	4.50	1.20a
		Parnassus Fund/Parnassus	—*	21.4	0.2	39	36	3.50	1.51
		Pasadena Growth Fund/Pasadena	—*	21.4	none	479	210	5.50	1.90
		Pasadena Nifty Fifty/Pasadena	—*	14.9	0.6	171	NM	5.50	2.30
		Patriot Premium Dividend Fund/closed-end	—*	24.5	8.1	214	11	NA	1.41
		Patriot Premium Dividend Fund II/closed-end	—*	26.5	7.6	280	11	NA	1.33
		Patriot Select Dividend Trust/closed-end	—*	24.5	10.5	225	10	NA	1.46
C	B	Penn Square Mutual Fund/Penn Square	13.1	12.4	2.6	226	6	4.75	*0.95*
C	B	Pennsylvania Mutual Fund/Penn Mutual	14.0	13.8	1.6	924	31	none§	0.95
		Peoples Index Fund/Dreyfus	—*	13.3	2.6	82	52	none	0.00a
		Peoples S&P MidCap Index/Dreyfus	—*	18.3	0.6	37	660	none	0.00a

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	D	Petroleum & Resources Corp/closed-end	5.6%	3.8%	3.3%	$312	0%	NA	$0.55
D	C	Philadelphia Fund/Baxter	8.4	12.0	1.1	84	-5	none	*1.61*
B	A	Phoenix Growth Fund/Phoenix	17.4	8.9	2.2	1,843	89	4.75%	*1.20*
		Phoenix Multi-Capital Apprec/Phoenix	—*	14.2	1.3	198	205	4.75	*1.24*
C	■ B	Phoenix Stock Fund/Phoenix	—*	6.7	2.0	123	3	4.75	*1.30*
D	■ B	Phoenix Total Return/Phoenix	—*	15.6	1.5	46	45	4.75	*1.58*
		Pierpont Capital Appreciation/TBC	—*	18.1	2.0	95	NA	none	0.91a
		Pierpont Equity Fund/TBC	—*	16.6	2.2	109	NA	none	0.91a
C	C	Pilgrim MagnaCap Fund[1]/Pilgrim	10.9	11.9	2.0	197	-2	3.00	*1.60*
		Pilgrim Regional BankShares/closed-end	—*	35.3	7.7	114	25	NA	1.31
		Pioneer Capital Growth Fund/Pioneer	—*	18.6	0.3	55	400	5.75	*1.55a*
C	D	Pioneer Fund/Pioneer	10.6	12.9	2.6	1,673	8	5.75	*0.99*
C	B	Pioneer II/Pioneer	12.8	13.3	2.5	3,993	0	5.75	*0.98*
■ B	■ B	Pioneer Three/Pioneer	—*	16.1	2.0	759	11	5.75	*0.84*
		Piper Jaffray Emerging Growth/Piper	—*	14.9	none	104	153	4.00	*1.30a*
		Piper Jaffray Value Fund/Piper	—*	13.3	0.9	186	118	4.00	*1.30*
		Portico-Equity Index Fund/Sunstone	—*	13.0	2.5	59	28	‡	0.50a
		Portico-Income & Growth Fund/Sunstone	—*	11.0	3.3	130	48	none	0.75a
		Portico-Special Growth Fund/Sunstone	—*	14.6	0.7	169	138	none	0.79a
		T Rowe Price Capital Appreciation/Price	—*	9.8	3.8	288	60	none	1.11
		T Rowe Price Equity Income Fund/Price	—*	15.4	4.4	1,746	57	none	1.03
■ C	■ B	T Rowe Price Growth & Income/Price	—*	13.7	4.2	725	25	none	0.90
C	D	T Rowe Price Growth Stock Fund/Price	10.0	13.7	1.4	1,792	14	none	0.86
		T Rowe Price New America Growth/Price	—*	14.6	none	285	80	none	1.25
D	D	T Rowe Price New Era Fund/Price	8.1	3.2	2.8	717	-6	none	0.84
D	D	T Rowe Price New Horizons Fund/Price	8.0	8.2	0.4	1,199	1	none	0.96
		T Rowe Price Science & Technology/Price	—*	17.3	none	177	30	none	1.25a
		T Rowe Price Small-Cap Value Fund/Price	—*	15.5	1.1	157	270	none	1.25a
		T Rowe Price Spectrum-Growth/Price	—*	11.2	2.0	255	197	none	0.93
		Primary Trend Fund/Primary Trend	—*	7.1	3.7	32	-3	none	1.20
		Prime Value-Altura ValuGrowth/Forum	—*	15.9	1.0	69	NM	4.50	1.19a
		Principal Preservation-S&P 100+/Ziegler	—*	11.0	1.8	28	21	4.50	*1.28*
D	A	Princor Capital Accumulation/Princor	14.0	13.3	2.2	180	25	5.00	*0.92*
		Princor Emerging Growth/Princor	—*	18.2	0.9	26	88	5.00	*1.61*
A	D	Princor Growth Fund/Princor	12.0	21.6	1.5	56	36	5.00	*1.07*
D	B	ProvidentMutual Growth/Provident	12.4	8.6	none	133	10	6.00	*1.62*

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Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
D	B	ProvidentMutual Investment Shrs/Provident	11.2%	-3.0%	1.3%	$157	-16%	6.00%	*$1.42*
B	■ B	Prudential Equity Fund-A/Prudential	—*	10.1	2.2	1,168	42	5.25	*0.97*
		Prudential Equity Income-A/Prudential	—*	12.7	3.7	225	60	5.25	*1.37*
		Prudential FlexiFund–Conserv-A/Prudential	—*	11.8	4.1	227	40	5.25	*1.28*
		Prudential FlexiFund–Strategy-A/Prudential	—*	12.0	3.9	322	49	5.25	*1.27*
■ C	■ C	Prudential Growth Fund-A[1]/Prudential	—*	3.9	1.6	255	-4	5.25	*1.40*
B	■ D	Prudential Growth Oppor-A/Prudential	—*	18.4	none	261	54	5.25	*1.36*
		Prudential Multi-Sector-A/Prudential	—*	7.1	1.4	155	12	5.25	*1.34*
B	■ A	Prudential Utility Fund-A/Prudential	—*	15.3	4.6	3,107	24	5.25	*0.92*
		Putnam Corp Asset Trust/Putnam	—*	16.9	8.3	137	5	2.50	0.88
		Putnam Dividend Growth/Putnam	—*	11.7	2.8	31	95	5.75	*1.90*
D	F	Putnam Energy-Resources Trust/Putnam	1.8	4.4	2.6	102	-15	5.75	*1.53*
B	B	Putnam Fund for Growth & Inc-A/Putnam	13.7	14.7	4.4	3,283	37	5.75	*0.99*
A	■ D	Putnam Health Sciences Trust/Putnam	—*	3.3	1.0	936	65	5.75	*1.23*
C	D	Putnam Investors Fund/Putnam	10.9	4.6	1.8	690	-3	5.75	*0.89*
		Putnam Managed Inc[2]/Putnam	—*	12.7	1.4	645	-11	5.75	*1.14*
		Putnam New Opportunities[3]/Putnam	—*	18.6	0.1	141	NM	5.75	*2.40a*
■ B	■ C	Putnam OTC Emerging Growth/Putnam	—*	9.2	none	253	15	5.75	*1.48*
D	B	Putnam Strategic Income[4]/Putnam	9.9	5.9	5.4	352	-24	5.75	*1.20*
		Putnam Utilities Growth & Inc-A/Putnam	—*	14.9	6.2	381	460	5.75	*1.70*
A	B	Putnam Vista Fund/Putnam	15.2	18.7	2.6	321	20	5.75	*0.99*
A+	D	Putnam Voyager Fund-A/Putnam	15.0	17.5	0.3	1,487	62	5.75	*1.19*
C	A+	Quest for Value Fund/Quest	17.8	16.6	0.7	126	91	5.50	*1.72*
		Quest for Value–Small Cap/Quest	—*	19.7	none	38	384	5.50	*2.25*
		Quest for Value Dual–Capital[5]/closed-end Quest for Value Dual–Income	—*	27.0	3.5	669	20	none	0.75
		Reich & Tang Equity Fund/Reich & Tang	—*	12.1	1.9	82	5	none	1.12
		Reynolds Blue Chip Growth Fund/Fiduciary Mgmt	—*	12.9	0.6	39	71	none	1.50
		Rightime Blue Chip Fund/Lincoln Inv	—*	3.4	1.1	205	15	4.75	*2.56*
		Rightime Fund/Lincoln Inv	—*	4.4	0.5	167	4	none	*2.58*
		Rightime Growth Fund/Lincoln Inv	—*	5.6	1.1	40	-5	4.75	*2.57*
		Robertson Stephens Emerging Growth/Robertson	—*	9.6	none	197	208	none	*1.59*
		Rodney Square Multi-Mngr–Growth/Rodney Sq	—*	10.5	0.1	51	7	4.00	*1.50a*
		Royce Fund–Equity Income/Quest Dist	—*	14.7	4.3	45	11	none	0.99a
■ D	■ B	Royce Fund–Value/Quest Dist	—*	12.8	1.0	165	-2	4.50	*1.69a*
		Royce Value Trust/closed-end	—*	16.6	1.4	183	21	NA	0.79

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Rules, page 122. Distributor table, page 194.

STOCK FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		RPF of America-Equity Fund/Venture	—*	-4.5%	0.7%	$43	37%	5.00%b	*$2.49*
		Rushmore-Nova/Rushmore	—*	-5.8	5.0	54	-43	none	1.14
B	C	Safeco Equity Fund/Safeco	11.4%	7.3	1.7	79	17	none	0.96
D	C	Safeco Growth Fund/Safeco	10.0	-1.8	0.3	138	14	none	0.92
D	A	Safeco Income Fund/Safeco	13.6	13.6	5.1	177	-3	none	0.91
		Safeco Northwest Fund/Safeco	—*	11.5	0.6	31	68	none	1.14
		St Clair Equity-Capital Growth/Fairfield	—*	10.3	0.7	104	83	none	1.11a
		Salem Funds-Value-Investment[1]/Federated	—*	10.6	2.6	149	19	4.00	*0.96a*
C	B	Salomon Brothers Capital/Salomon	13.6	16.6	1.8	98	23	5.00	1.48
C	B	Salomon Brothers Fund/closed-end	12.0	10.7	3.0	1,070	5	NA	0.43
C	B	Salomon Brothers Investors/Salomon	12.3	12.7	2.8	355	1	5.00	0.70
C	B	Salomon Brothers Opportunity/Salomon	14.4	15.3	1.8	100	1	none	1.26
		SBSF-Growth Fund/SBSF	—*	6.6	3.8	100	-2	none	*1.09*
A	C	Scudder Capital Growth/Scudder	13.6	17.9	1.2	1,065	14	none	0.99
B	C	Scudder Development Fund/Scudder	10.5	12.8	none	694	45	none	1.27
B	C	Scudder Growth & Income Fund/Scudder	11.5	20.2	3.2	855	50	none	0.97
		Scudder Quality Growth/Scudder	—*	18.4	0.2	73	974	none	1.25a
■ D	■ C	Security Action Fund/Security Dist	—*	5.4	1.1	289	8	**	0.78
A	D	Security Equity Fund/Security Dist	11.6	14.5	2.3	313	16	5.75	1.06
F	C	Security Investment Fund/Security Dist	7.7	7.2	5.3	74	-2	5.75	1.26
D	F	Security Ultra Fund/Security Dist	4.3	6.5	none	55	-9	5.75	1.44
B	A	Selected American Shares/Selected	15.3	13.1	0.9	569	2	none	*1.19*
C	D	Selected Special Shares/Selected	9.7	3.2	1.3	51	-15	none	*1.39*
A	D	Seligman Capital Fund/Seligman	13.6	18.6	none	166	24	4.75	1.06
B	B	Seligman Common Stock Fund/Seligman	13.7	16.4	3.2	488	6	4.75	0.76
		Seligman Communications & Info/Seligman	—*	19.4	none	47	17	4.75	1.69
		Seligman Frontier/Seligman	—*	11.9	none	25	20	4.75	*1.53*
B	D	Seligman Growth Fund/Seligman	10.2	9.7	0.5	541	2	4.75	0.80
B	A	Sentinel Common Stock Fund/Equity	15.7	15.6	3.1	665	10	8.50	0.71
C	C	Sentinel Growth Fund/Equity	12.2	5.9	1.0	58	4	5.25	1.05
B	D	Sentry Fund/Sentry	10.9	8.8	2.4	66	15	none	0.84
C	A+	Sequoia Fund/Ruane	18.0	16.8	2.2	1,277	24	†	1.00a
		Shadow Stock Fund/Jones & Babson	—*	16.2	0.9	26	15	none	1.26
		Shearson Advisors/Shearson	—*	8.2	none	137	-4	5.50	*3.44*
		Shearson Aggressive Growth/Shearson	—*	8.6	none	184	50	5.00	1.05
B	B	Shearson Appreciation/Shearson	14.7	11.3	2.0	1,762	25	5.00	0.82

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Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	14.1%	13.4%	3.0%				
		Forbes stock fund composite	12.3%	14.0%	1.8%				$1.27
		Shearson Equity-Growth & Oppor/Shearson	—*	13.1%	1.0%	$125	-10%	5.00%b	*$2.14*
		Shearson Equity-Sector Analysis/Shearson	—*	7.6	0.8	189	7	5.00b	*2.15*
		Shearson Equity-Strategic Inv/Shearson	—*	15.0	4.3	271	31	5.00b	*2.09*
C	■ B	Shearson Fundamental Value/Shearson	—*	19.5	2.0	74	33	5.00	1.30
		Shearson Income-Premium Tot Ret/Shearson	—*	17.2	8.0	553	21	5.00b	*1.70*
D	■ C	Shearson Invest-Appreciation/Shearson	—*	10.6	1.6	964	37	5.00b	*1.85*
		Shearson Invest-Directions Value/Shearson	—*	5.6	0.5	200	-20	5.00b	*1.83*
■ D	■ D	Shearson Invest-Special Equities/Shearson	—*	8.2	0.3	62	-14	5.00b	*2.30*
		Shearson 1990s Fund/Shearson	—*	7.5	none	47	1	5.00	*1.60*
		Shearson Small Capitalization/Shearson	—*	7.8	none	56	66	5.00	1.40
		Shearson Telecommun-Growth/Shearson	—*	15.3	0.8	33	1	5.00	1.22
■ A	■ C	Sit New Beginning Growth Fund/Sit	—*	13.3	0.5	242	92	none	0.83
■ C	■ B	Sit New Beginning Income & Growth/Sit	—*	15.2	1.9	32	44	none	1.50
		Skyline Fund-Special Equities/Mesirow	—*	26.0	0.1	56	66	3.85	*1.55a*
D	C	Smith Barney Equity Fund/Smith Barney	10.4%	2.4	2.1	83	4	4.50	*0.98*
D	A+	Smith Barney-Income & Growth/Smith Barney	14.9	15.2	5.7	568	2	4.50	*0.93*
		Smith Barney-Utility/Smith Barney	—*	13.6	7.8	115	35	4.50	*1.00*
C	A+	SoGen International Fund/SoGen	16.1	15.9	4.4	409	57	3.75	*1.37*
		Sound Shore Fund/Forum	—*	15.5	1.6	34	5	none	1.34
D	A+	Source Capital/closed-end	15.5	14.2	2.8	319	5	NA	0.97
		SAM Small Cap Fund/Southeastern	—*	2.7	0.6	58	3	none	1.42
		SAM Value Trust/Southeastern	—*	15.8	0.4	215	33	none	1.29
		Stagecoach Corp Stock/Stagecoach	—*	12.2	1.0	216	23	none	0.97a
		Stagecoach Growth & Inc/Stagecoach	—*	16.3	1.1	26	445	4.50	0.50a
B	D	State Bond Common Stock Fund/SBM	10.6	8.0	1.5	43	6	4.75	*1.22*
C	B	State Bond Diversified Fund/SBM	12.9	13.5	2.9	33	28	4.75	*1.18*
B	C	State Street Investment Trust/State St	12.1	11.2	1.9	669	15	4.50	0.50
D	F	SteinRoe Capital Opportunities/Stein Roe	5.7	15.8	0.9	117	5	none	1.07
		SteinRoe Prime Equities/Stein Roe	—*	17.1	1.6	64	23	none	0.98
A	C	SteinRoe Special Fund/Stein Roe	14.7	11.9	1.8	596	10	none	0.99
B	D	SteinRoe Stock Fund/Stein Roe	10.2	16.7	0.8	325	22	none	0.92
D	C	Stratton Growth Fund/Stratton	11.0	12.5	3.6	25	4	none	1.35a
D	A+	Stratton Monthly Dividend Shares/Stratton	13.6	21.1	7.0	62	86	none	1.15a
		Strong Common Stock Fund/Strong	—*	20.6	13.6	84	368	2.00	1.50
		Strong Discovery Fund/Strong	—*	23.9	9.1	173	91	2.00	1.40
		Strong Opportunity Fund/Strong	—*	15.9	0.6	154	5	2.00	1.60

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Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	—Total return—		Yield	—Assets—		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Standard & Poor's 500 stock average	**14.1%**	**13.4%**	**3.0%**				
		Forbes stock fund composite	**12.3%**	**14.0%**	**1.8%**				**$1.27**
		SunAmerica Capital Apprec/SunAmerica	—*	9.8%	none	$88	-24%	5.00%b	*$2.50*
		SunAmerica Equity–Aggress Grow/SunAmerica	—*	8.3	none	28	-12	5.75	*1.88*
		SunAmerica Equity–Growth/SunAmerica	—*	6.1	0.9%	27	-9	5.75	*1.79*
A	B	TNE Growth Fund/TNE	17.9%	17.6	1.0	1,078	47	†	*1.14*
C	D	TNE Growth Opportunities/TNE	9.2	14.5	1.8	75	19	5.75	*1.23*
D	A	TNE Retirement Equity Fund/TNE	13.2	14.2	1.8	154	9	6.50	*1.28*
		Third Avenue Value Fund/Whitman	—*	5.5	1.0	27	92	5.75	2.50a
		Thomson–Growth-A/Thomson	—*	15.5	none	857	75	5.50	*1.25*
		Thomson–Opportunity-A/Thomson	—*	33.8	none	148	210	5.50	*1.35*
		Tower–Capital Appreciation/Federated	—*	10.3	1.9	69	-10	4.50	0.83a
F	C	Transamerica Capital Apprec[1]/Transamerica	8.7	-1.6	none	82	6	4.75§	*1.68*
		Transamerica Special Blue Chip/Transamerica	—*	8.7	none	32	45	6.00b	*2.76*
		Transamerica Spec Emerging Grow-A/Transamerica	—*	11.6	none	107	310	4.75	*1.65*
B	C	Tri-Continental Corp/closed-end	12.6	12.3	2.8	1,798	7	NA	0.67
		20th Century Giftrust Investors/20th Century	—*	19.9	none	60	48	—[2]	1.00
A+	D	20th Century Growth Investors/20th Century	13.2	22.5	0.1	4,085	61	—[2]	1.00
		20th Century Heritage Investors/20th Century	—*	13.1	1.3	329	31	—[2]	1.00
A	C	20th Century Select Investors/20th Century	14.4	8.2	1.7	4,395	17	—[2]	1.00
A+	■ F	20th Century Ultra Investors/20th Century	—*	16.9	none	3,757	228	—[2]	1.00
		20th Century Vista Investors/20th Century	—*	14.1	none	778	44	—[2]	1.00
■ C	■ B	UMB Stock Fund/Jones & Babson	—*	10.8	2.9	76	43	none	0.86
C	B	United Accumulative Fund/Waddell	13.6	11.9	2.6	910	7	8.50	0.63
A	A	United Income Fund/Waddell	17.4	14.4	2.4	2,304	22	8.50	0.66
■ B	■ C	United New Concepts Fund/Waddell	—*	24.5	0.2	149	74	8.50	1.16
B	C	United Science & Energy Fund/Waddell	11.7	14.7	0.5	370	31	8.50	0.85
		US Boston–Growth & Income/US Boston	—*	9.8	1.3	41	5	1.00b	*1.84*
C	D	US Trend Fund/Capstone	11.2	11.7	1.8	95	5	4.75	*1.02*
D	B	United Vanguard Fund/Waddell	13.2	4.2	1.5	822	2	8.50	0.96
D	■ D	USAA Mutual–Aggressive Growth/USAA	—*	4.7	0.1	232	30	none	0.80
C	D	USAA Mutual–Growth Fund/USAA	9.2	14.4	2.4	404	40	none	1.09
		USAA Mutual–Income Stock/USAA	—*	18.2	5.2	298	124	none	0.77
		UST Master Funds–Equity/UST	—*	13.5	0.8	79	117	4.50	1.15
		Value Line Convertible Fund/Value Line	—*	14.5	5.6	36	-2	none	1.14
B	C	Value Line Fund/Value Line	10.9	12.2	1.2	256	7	none	0.71
D	A	Value Line Income Fund/Value Line	12.5	12.3	3.5	158	6	none	0.74
C	B	Value Line Leveraged Growth Inv/Value Line	12.8	1.5	1.1	261	-7	none	0.90

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Rules, page 122. Distributor table, page 194.

STOCK FUNDS

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	**14.1%**	**13.4%**	**3.0%**				
		Forbes stock fund composite	**12.3%**	**14.0%**	**1.8%**				**$1.27**
F	D	**Value Line Special Situations/Value Line**	4.2%	-3.2%	0.4%	$89	-22%	none	$1.04
		Van Kampen Merritt Grow & Inc/Van Kampen	—*	11.4	1.0	28	12	4.90%	*1.84*
		Vanguard Equity Income Fund/Vanguard	—*	15.0	5.2	697	47	none	0.45
D	D	**Vanguard Explorer Fund/Vanguard**	8.3	15.9	0.7	458	41	none	0.65
		Vanguard Gemini II Capital[1]/closed-end **Vanguard Gemini II Income**	—*	21.1	6.0	298	10	none	0.41
		Vanguard Index-Extended Mkt/Vanguard	—*	15.9	1.6	446	75	‡[2]	0.19
A	C	**Vanguard Index-500 Portfolio/Vanguard**	13.7	13.2	3.2	5,348	76	—[2]	0.20
B	C	**Vanguard/Morgan Growth/Vanguard**	12.7	8.3	2.4	962	8	none	0.46
		Vanguard Primecap Fund/Vanguard	—*	6.9	1.0	558	43	none	0.68
		Vanguard Quantitative Portfolios/Vanguard	—*	12.1	2.9	361	33	none	0.43
D	D	**Vanguard Small Cap Stock/Vanguard**	7.7	15.0	1.5	193	99	‡[2]	0.20
		Vanguard Special-Energy/Vanguard	—*	-1.1	3.3	151	12	none§	0.30
		Vanguard Special-Health Care/Vanguard	—*	12.1	1.6	567	62	none§	0.30
		Vanguard Special-Technology/Vanguard	—*	11.6	1.4	33	53	none§	0.36
C	B	**Vanguard Trustees Comm-US/Vanguard**	12.6	10.5	2.7	100	-9	none	0.44
B	A	**Vanguard Windsor Fund/Vanguard**	16.9	17.8	4.5	8,443	10	†	0.28
		Vanguard Windsor II/Vanguard	—*	15.1	4.0	4,468	53	none	0.48
		Vista Capital Growth Fund/Vista	—*	34.1	0.1	32	410	4.50	*1.50a*
		Vista Growth & Income/Vista	—*	19.7	1.1	98	224	4.50	*1.50*
		Vontobel US Value Fund/Newport	—*	14.5	0.5	26	118	5.00	1.99
B	A	**Washington Mutual Investors/American Funds**	16.6	13.2	3.5	8,961	32	5.75	*0.73*
		Weitz Series Fund-Value/Weitz Secs	—*	16.1	2.7	39	37	none	1.40
		Westcore-Basic Value Fund/Westcore	—*	12.8	2.8	104	5	4.50	0.88a
		Westcore-Equity Income Fund/Westcore	—*	16.3	4.2	25	30	4.50	0.92a
		Westcore-MIDCO Growth/Westcore	—*	12.6	2.3	172	35	4.50	0.77a
		Westcore-Modern Value Equity/Westcore	—*	11.1	2.8	29	12	4.50	0.88a
A	F	**Winthrop Focus Funds-Aggressive[3]/Wood**	9.7	24.7	0.2	34	27	4.00b	*1.89a*
D	D	**Winthrop Focus Funds-Growth[4]/Wood**	7.6	9.6	0.8	48	1	4.00b	*1.26*
D	C	**Winthrop Focus Funds-Grow & Inc[5]/Wood**	10.4	10.4	1.9	45	-4	4.00b	*1.35a*
B	C	**WPG Growth & Income Fund/Weiss**	11.9	16.0	1.2	46	34	none	1.33
		WPG Growth Fund/Weiss	—*	11.7	0.0	160	6	none	0.94
A	C	**WPG Tudor Fund/Weiss**	15.0	14.0	1.0	256	20	none	1.21
		Zweig Fund/closed-end	—*	12.0	7.2	488	16	NA	1.28
		Zweig Series-Priority Select-A[6]/Zweig	—*	3.3	1.0	57	26	5.50	*1.87*
		Zweig Series-Strategy Fund-A/Zweig	—*	9.8	1.7	350	1	5.50	*1.58*

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Rules, page 122. Distributor table, page 194.

Closed-end stock funds

Closed-end stock funds, the ones with a fixed number of shares outstanding, have been doing well recently. The ones followed by Lipper Analytical Services returned an average 15% in the past year, against 13% for the S&P 500 Index.

Does that mean you should load up on closed-end funds? Not necessarily. Keep an eye on the relationship between a fund's net asset value and its share price. Other things being equal, you want to get a closed-end at a nice discount to the value of its portfolio. On this score, closed-ends today are much less of a bargain than they were a couple of years ago.

If you knew that the bull market were going to continue, many closed-end funds would be attractive today. That's because discounts tend to narrow in bull markets. If you buy closed-end shares at a fat discount and then sell them when the discount has shrunk, you will do better than someone owning a comparable open-end fund.

But what if the market weakens? Then the fund selling at a tempting discount today could well sink to a fatter discount later. You would be worse off than someone buying the open-end fund.

Example: At the start of this year, the Thai Capital Fund traded on the New York Stock Exchange at a seemingly attractive 5% discount. But now, after a bout of political chaos in Thailand, shares of the fund trade at 17% below their net asset value.

Another way that an apparent bargain can turn into a less than stellar investment is if the fund has high management fees and expenses, chewing up investment gains. If expense ratios shoot up in your open-end fund, you can take your money and leave. When it happens in a closed-end, you are, to a degree, stuck. You can unload the shares on the stock exchange, but they are likely to fetch a disappointing price that reflects the overhead burden.

The table shows equity funds trading at good discounts in comparison to their expense ratios. Not shown: closed-end bond funds, most of which are trading at meager discounts or even at premiums to their asset values. Avoid them. —ERIC HARDY

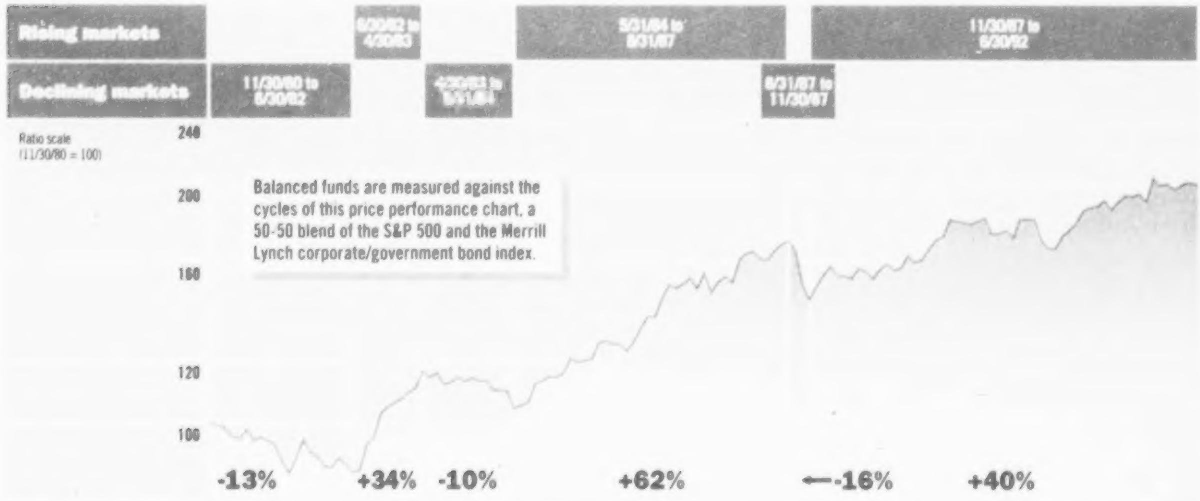
Fund	12-month return*	Recent price	Discount	Annual expenses per $100	Relative discount[1]
Baker, Fentress	10.3%	18¾	-16.0%	$0.84	20.7
American Capital Convertible	15.1	19¼	-13.3	0.89	16.0
New Germany Fund	3.6	11¼	-15.4	1.05	15.9
Counsellors Tandem Securities	14.4	13⅝	-16.0	1.30	13.3
Growth Fund of Spain	4.1	8⅝	-15.1	1.23	13.2
Castle Convertible	17.2	22	-12.7	1.09	12.4
First Philippine Fund	43.2	11⅝	-21.0	1.95	12.0
Bancroft Convertible	17.2	20	-12.6	1.20	11.2
First Financial Fund	77.0	11¾	-12.4	1.23	10.7
Ellsworth Convertible	16.9	8¼	-12.0	1.20	10.6
Future Germany Fund	23.4	13⅜	-11.9	1.21	10.5
Alliance Global Environment	-7.9	9¾	-14.1	1.59	9.5
GT Greater European	2.5	9½	-15.9	1.93	8.9
Irish Investment Fund	12.5	7⅞	-15.0	1.81	8.9
First Iberian Fund	8.2	7	-17.0	2.11	8.7
France Growth Fund	26.6	9⅝	-16.8	2.14	8.5
Inefficient Market	7.5	9⅝	-11.3	1.40	8.5
Vanguard Gemini II[2]	21.0	27⅜	-3.4	0.41	8.4
Quest For Value Dual[2]	27.0	36	-6.0	0.75	8.2
Emerging Germany Fund	12.1	7¾	-13.1	1.70	8.2
Austria Fund	-7.3	7¾	-12.8	1.83	7.4
Thai Capital Fund	4.6	7⅞	-17.1	2.51	7.4
Portugal Fund	15.4	10¼	-13.4	1.96	7.3
Malaysia Fund	3.6	13½	-11.5	1.70	7.1
Worldwide Value Fund	6.3	13⅝	-14.3	2.15	7.1

Prices and discounts as of July 31. *Closed-end returns based on NAV, not price. [1]Number of years after which expenses, continuing at current rates, would dissipate the benefit of buying the fund at its current discount and having it liquidated at full net asset value. [2]Dual fund, with capital and income shares treated as a unit. Due to be liquidated in 1997.

Balanced funds

Balanced funds buy convertible bonds or mix stocks with bonds. This category also includes funds that call themselves "asset allocators." Although they do not perform as well as stock funds in a strong market, balanced funds hold up better in a down or sideways market. In fact, over the last 12 months, the average balanced fund in this survey had a total return of 14.9%, versus 14% for stock funds.

The benchmark used to determine market cycles and grade balanced funds is a hybrid of the S&P 500 index and the Merrill Lynch corporate/government bond index. To appear below, a balanced fund must have at least $25 million of assets and a full year of performance history; to be graded, a fund must have been around for at least two market cycles, that is, since April 1983.



Balanced funds are measured against the cycles of this price performance chart, a 50-50 blend of the S&P 500 and the Merrill Lynch corporate/government bond index.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	**13.8%**	**14.0%**	**4.2%**				
		Forbes balanced fund composite	**13.0%**	**14.9%**	**4.2%**				**$1.24**
		Advantage Income Fund/Advest	—*	14.6%	4.7%	$51	17%	4.00%b	*$2.05*
C	B	**Alliance Balanced Shares-A/Alliance**	13.3%	10.3	3.5	149	-1	5.50	*1.42*
B	B	**American Balanced Fund/American Funds**	14.2	15.0	5.2	822	72	5.75	*0.82*
D	B	**American Capital Convert Secs/closed-end**	13.0	15.1	6.0	71	8	NA	0.89
C	B	**American Capital Equity Income-A/American Cap**	14.4	16.5	4.5	108	18	5.75	*1.02*
C	D	**American Capital Harbor Fund-A/American Cap**	11.7	14.0	6.3	381	10	5.75	*0.91*
A	D	**Axe-Houghton Fund B/USF&G**	12.3	12.9	5.5	174	5	5.75	*1.10*
F	D	**Bancroft Convertible Fund/closed-end**	9.5	17.2	6.0	58	10	NA	1.20
		Boston Co Asset Allocation/Boston Co	—*	12.9	2.3	28	76	none	*1.45*
■C	■D	**Calvert Social Inv–Managed Growth/Calvert**	—*	8.9	5.9	389	27	4.75	*1.29*

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	**13.8%**	**14.0%**	**4.2%**				
		Forbes balanced fund composite	**13.0%**	**14.9%**	**4.2%**				**$1.24**
		Carillon Inv Trust–Capital/Carillon	—*	13.6%	3.7%	$29	18%	5.00%	$1.09
D	A	Castle Convertible Fund/closed-end	12.0%	17.2	7.0	54	9	NA	1.09
A+	D	CGM Mutual Fund/TNE	15.9	17.6	3.8	475	51	none	0.93
A	D	Colonial Fund-A/Colonial	13.2	15.1	2.7	404	18	5.75	*1.07*
D	D	Colonial Strategic Income-A/Colonial	9.4	20.5	9.5	442	6	4.75	1.12
D	■ B	Colonial Utilities Fund-A/Colonial	—*	23.0	6.6	181	21	4.75	*1.11*
C	C	Commonwealth Inv–Balanced/Trusteed	11.0	11.2	3.3	45	2	7.50	0.98
D	B	Composite Bond & Stock Fund/Murphey	11.7	11.4	4.8	87	32	4.00	*1.18*
		Connecticut Mutual–Total Ret/Phelps	—*	17.2	3.6	94	29	5.00	1.14
		Convertible Securities & Income/Federated	—*	16.8	6.4	26	19	4.50	*1.05a*
		Convertible Holdings–Capital[1]/closed-end Convertible Holdings–Income	—*	16.4	6.9	281	7	none	0.83
		Dean Witter Convertible Secs/Dean Witter	—*	10.4	2.9	236	-25	5.00b	*1.96*
		Dean Witter Managed Assets/Dean Witter	—*	12.2	3.0	222	4	5.00b	*1.70*
		Dean Witter Strategist/Dean Witter	—*	14.0	1.7	410	86	5.00b	*1.59*
		Delaware Group Delaware Fund/Delaware	—*	14.6	3.9	456	10	5.75	*0.74*
B	C	Dodge & Cox Balanced Fund/Dodge & Cox	13.6	13.3	4.3	221	74	none	0.65
D	C	Dreyfus Convertible Securities/Dreyfus	11.3	16.2	3.3	219	4	none	1.07
		Duff & Phelps Utilities Income/closed-end	—*	20.8	8.3	1,339	13	NA	1.07
C	C	Eaton Vance Investors Fund/Eaton Vance	12.4	14.5	4.9	208	5	4.75	*0.86*
		Ellsworth Convert Growth & Inc/closed-end	—*	16.9	5.6	56	10	NA	1.20
		Equitable Funds–Balanced-A/Equitable	—*	17.1	1.0	40	67	5.25	*1.40a*
		Evergreen Foundation Fund/Lieber	—*	28.8	1.7	28	539	none	1.20a
D	A	Federated Stock & Bond Fund/Federated	12.9	11.5	4.3	93	8	none	1.03a
		Fidelity Advisor Inc & Growth[2]/Fidelity	—*	17.9	3.3	271	195	4.75	*1.55*
		Fidelity Asset Manager/Fidelity	—*	14.7	3.4	2,132	298	none	1.21
		Fidelity Balanced Fund/Fidelity	—*	14.8	4.8	1,232	195	none	0.92
		Fidelity Convertible Securities/Fidelity	—*	26.6	4.4	273	216	none	1.17
A	B	Fidelity Puritan Fund/Fidelity	15.7	17.3	5.3	5,397	13	2.00	0.65
		First Investors Total Return/First Inv	—*	7.5	2.5	64	26	6.90	*1.63a*
		Fortis Advantage–Asset Allocation[3]/Fortis	—*	15.2	5.0	85	239	4.50	*1.72*
C	A	Franklin Income Fund/Franklin	13.8	27.6	9.3	2,212	46	4.00	0.54
		Fremont Multi Asset Fund/Fremont	—*	11.4	4.6	92	38	none	1.11
		FundTrust–Growth & Income/Signature	—*	13.1	2.4	36	31	1.50	*1.60a*

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Rules, page 122. Distributor table, page 194.

BALANCED FUNDS

FUND SURVEY

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Blended stock and bond market index	13.8%	14.0%	4.2%				
		Forbes balanced fund composite	13.0%	14.9%	4.2%				$1.24
		Gabelli Convertible Secs/Gabelli	—*	10.3%	6.1%	$87	-11%	4.50%	$1.45
		John Hancock Asset Allocation/Hancock	—*	11.0	1.4	32	24	5.00	*2.15*
B	B	IDS Mutual/IDS	13.6%	14.6	4.9	2,104	18	5.00	0.76
B	A+	Income Fund of America/American Funds	15.9	18.2	6.3	4,788	80	5.75	*0.67*
		Kemper Invest–Total Return/Kemper	—*	17.0	2.6	931	61	3.00b	*2.11*
		Kemper Retirement Fund I/Kemper	—*	16.9	3.7	116	7	†	0.95
		Kemper Retirement Fund II/Kemper	—*	18.1	2.0	188	139	†	0.95
A+	F	Kemper Total Return Fund/Kemper	12.0	14.1	3.3	1,144	27	5.75	1.03
C	C	Keystone Custodian K-1/Keystone	12.0	11.9	4.7	1,182	31	4.00b	*1.94*
		Lincoln National Convert Secs/closed-end	—*	22.3	5.6	115	15	NA	0.89
		Lord Abbett Equity-1990/Lord Abbett	—*	19.4	2.9	58	-15	†	*1.80a*
		Mackenzie No Amer Total Return/Mackenzie	—*	11.6	5.7	44	-21	5.75	*1.91*
		MainStay–Convertible Fund/NYLife	—*	25.6	2.5	28	52	5.00b	*2.31*
		MainStay–Total Return Fund/NYLife	—*	13.6	1.7	265	185	5.00b	*1.97*
		Merrill Lynch Bal Inv & Retire-A/ML Funds	—*	13.9	3.7	929	-9	6.50	0.86
■ B	■ C	Merrill Lynch Phoenix Fund-A/ML Funds	—*	16.8	0.8	241	17	6.50	1.42
		Merriman Asset Allocation/Merriman	—*	4.5	2.9	27	-1	none	1.52a
		MetLife-State Street Mngd Assets/State St	—*	13.7	4.4	88	39	4.50	*1.25a*
A	C	MFS Total Return Fund/MFS	14.5	14.6	5.4	1,113	34	4.75	*0.84*
		Mimlic Asset Allocation Fund/Mimlic	—*	13.7	3.2	32	132	5.00	*1.35a*
D	A	Mutual of Omaha Income/Mutual of Omaha	11.8	12.3	6.5	219	25	4.75	*1.04*
B	B	National Income & Growth-A[1]/National Secs	15.4	19.2	4.8	368	41	5.75	*1.38*
B	D	National Total Return Fund/National Secs	13.2	14.0	3.0	262	4	5.75	*1.35*
		NA Security–Asset Allocation/Wood Logan	—*	15.8	0.8	42	28	4.00	*1.99a*
		Oppenheimer Asset Allocation/Oppenheimer	—*	11.7	3.3	267	91	5.75	*1.27*
		Overland Express Asset Allocation/Overland	—*	14.1	6.2	41	20	4.50	*1.25a*
		Pacifica Balanced Fund/Furman Selz	—*	12.2	4.0	61	42	4.50	*1.05a*
		PaineWebber Asset Allocation-A/PaineWebber	—*	10.2	3.4	321	-13	4.50	*1.25*
		Pasadena Balanced Return/Pasadena	—*	15.8	1.4	29	257	5.50	2.50
B	C	Pax World Fund/Pax World	12.5	6.6	5.3	368	106	none	*1.10*
■ D	■ C	Permanent Port–Permanent/Permanent	—*	3.0	6.1	67	-12	—[2]	*1.27*
A	■ D	Phoenix Balanced Fund/Phoenix	—*	12.5	3.8	1,728	147	4.75	*1.02*
C	A	Phoenix Convertible Fund/Phoenix	14.3	11.5	4.3	187	18	4.75	*1.26*
		T Rowe Price Balanced/Price	—*	13.1	4.1	68	431	none	1.00a

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BALANCED FUNDS

FUND SURVEY

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 11/80 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Blended stock and bond market index	13.8%	14.0%	4.2%				
		Forbes balanced fund composite	13.0%	14.9%	4.2%				$1.24
		Princor Managed Fund/Princor	—*	17.5%	3.5%	$27	25%	5.00%	*$1.25*
D	C	ProvidentMutual Total Return/Provident	11.4%	10.8	3.0	72	12	6.00	*1.60*
		Prudential IncomeVertible + -A/Prudential	—*	9.2	6.8	365	-13	5.25	*1.30*
C	D	Putnam Convert Income-Growth/Putnam	12.2	20.2	5.7	574	3	5.75	*1.15*
		Putnam Dividend Income Fund/closed-end	—*	24.0	10.4	196	7	NA	2.02
A	D	George Putnam Fund of Boston-A/Putnam	13.9	12.9	4.9	605	30	5.75	*0.94*
		Quest for Value–Opportunity/Quest	—*	26.1	0.2	28	378	5.50	*2.35a*
■C	■C	Rea-Graham Balanced Fund/Rea	—*	8.3	5.0	27	-18	4.75	*2.06*
D	A	Seligman Income Fund/Seligman	12.8	24.2	7.3	177	29	4.75	0.89
B	B	Sentinel Balanced Fund/Equity	14.6	14.0	5.1	109	31	8.50	0.79
		Shearson Income–Convertible/Shearson	—*	17.0	4.8	60	-8	5.00b	*1.90*
		Shearson Income–Utilities/Shearson	—*	16.0	5.9	1,557	89	5.00b	*1.58*
		Shearson Principal Return–1996/Shearson	—*	14.2	5.8	112	-5	†	0.83
		Shearson Principal Return–1998/Shearson	—*	8.1	5.1	175	-16	†	*1.05*
		Stagecoach Asset Allocation/Stagecoach	—*	15.1	2.6	424	44	4.50	0.96a
C	F	SteinRoe Total Return Fund/Stein Roe	10.1	14.6	5.1	166	18	none	0.84
F	■A	Strong Investment Fund/Strong	—*	12.7	4.5	208	1	1.00	1.20
D	■B	Strong Total Return Fund/Strong	—*	16.1	0.8	608	-3	1.00	1.30
		SunAmerica Balanced Assets/SunAmerica	—*	7.4	2.1	83	-8	5.00b	*1.92a*
		SunAmerica Multi-Asset–Tot Ret/SunAmerica	—*	9.7	2.8	27	-9	5.75	*1.85*
		TCW Convertible Securities Fund/closed-end	—*	13.4	5.6	173	6	NA	0.94
		TNE Balanced Fund/TNE	—*	15.5	2.7	77	30	6.50	*1.53*
		Thomson–Equity Income-A/Thomson	—*	18.8	3.9	37	67	5.50	*1.35*
C	B	Transamerica Growth & Income-A/Transamerica	12.5	16.1	2.0	106	49	4.75	*1.38*
		20th Century Balanced Inv/20th Century	—*	17.3	2.2	561	333	—'	1.00a
B	D	United Continental Income Fund/Waddell	13.9	16.5	3.8	347	13	8.50	0.80
B	C	United Retirement Shares/Waddell	13.2	17.7	3.0	259	33	8.50	0.85
		USAA Investment–Balanced/USAA	—*	10.9	4.2	73	56	none	1.00a
		Vanguard Asset Allocation/Vanguard	—*	14.4	4.5	433	97	none	0.42
		Vanguard Convertible Securities/Vanguard	—*	21.4	5.0	77	50	none	0.86
		Vanguard STAR Fund/Vanguard	—*	14.4	4.9	2,027	60	none	0.39
C	A+	Vanguard Wellesley Income Fund/Vanguard	14.7	16.1	7.1	2,392	79	none	0.40
B	C	Vanguard Wellington Fund/Vanguard	14.0	13.8	5.1	4,677	55	none	0.37
		Westcore–Balanced Investment/Westcore	—*	12.4	4.3	40	138	4.50	1.00a

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Global stock funds

Unlike foreign stock funds *(see p. 160)*, which invest almost exclusively in non-U.S. equities, global funds mix foreign securities with U.S. securities. The value of the latter strategy was evident during the last 12 months. While the dollar-denominated Morgan Stanley Capital International Perspective index for Europe, Australia and the Far East was off 2.5%, the S&P 500 was up 10%. Over the last 12 months the average foreign stock fund in this survey had a total return of 8.5%. But thanks to its greater degree of international diversity, the average global stock fund had a 9.7% gain during this time span.

Our benchmark for measuring the performance of global funds is a 50-50 mix of the Morgan Stanley index and the S&P 500. To be rated, a fund must have been in existence since Aug. 31, 1987, the starting date for the last two market cycles of our benchmark.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 3/84 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Blended domestic and foreign stock index	16.5%	6.4%	2.3%				
		Forbes global fund composite	10.9%	9.7%	2.2%				$1.71
		Alliance Global Environment Fund/closed-end	—*	-7.9%	0.8%	$82	-9%	NA	$1.59
■ C	■ B	Bailard Biehl & Kaiser Diversa/Bailard	—*	5.2	3.3	50	-22	none	1.66
		Benham Gold Equities Index/Benham	—*	-8.6	0.2	146	10	none	0.75
■ C	■ A	Blanchard Global Growth[1]/Sheffield	—*	6.7	3.2	123	-32	—[2]	*2.31*
D	D	Bull & Bear Gold Investors/Bull & Bear	-0.3%	-6.6	0.4	26	-22	none	*2.85*
■ B	■ D	Clemente Global Growth Fund/closed-end	—*	3.4	none	63	0	NA	2.71
■ D	■ C	Colonial Natural Resources-A[3]/Colonial	—*	-7.3	0.4	36	-32	5.75%	*2.03*
C	C	Dean Witter World Wide Inv/Dean Witter	11.7	12.1	0.2	258	-1	5.00b	*2.27*
■ B	■ A	Dreyfus Strategic World Inv/Dreyfus	—*	11.5	none	85	143	3.00	*1.62a*
■ D	■ A	Fidelity Select–American Gold/Fidelity	—*	-5.7	none	168	-11	3.00	1.75
		Fidelity Worldwide Fund/Fidelity	—*	16.3	1.0	126	29	3.00	1.62
B	D	First Investors Global Fund/First Inv	12.3	7.5	none	203	-6	6.90	*1.95*
		Founders Worldwide Growth/Founders	—*	21.8	2.3	34	253	none	*1.90*
■ B	■ F	Freedom Inv II–Global-A/Hancock	—*	9.8	none	27	-6	4.50	*1.83*
		GT Global Growth–Growth & Inc/GT Global	—*	14.9	5.1	124	126	4.75	*1.85a*
■ A	■ C	GT Global Growth–Worldwide/GT Global	—*	10.8	1.0	147	38	4.75	*2.00*
		GT Global Health Care/GT Global	—*	7.2	none	671	82	4.75	*1.95*
■ C	■ D	John Hancock Global/Hancock	—*	12.6	0.0	70	-10	5.00	*2.14*
		IDS Global Growth Fund/IDS	—*	13.5	0.6	61	84	5.00	*1.75*
		Janus Worldwide Fund/Janus	—*	25.8	0.0	107	NM	none	1.96a
■ B	■ C	Lexington Global Fund/Lexington	—*	6.1	0.7	56	7	none	1.57
D	B	Lexington Goldfund/Lexington	2.0	-10.2	0.9	93	-13	none	*1.68*
		Lord Abbett Global–Equity/Lord Abbett	—*	8.2	1.1	34	-1	5.75	*1.61*
		Merrill Lynch Global Allocation-A/ML Funds	—*	19.7	8.5	493	157	6.50	1.11
		Merrill Lynch Global Utility-A/ML Funds	—*	18.3	4.8	144	66	6.50	1.28
C	C	Merrill Lynch Healthcare-A[4]/ML Funds	10.2	15.8	32.4	76	15	6.50	1.95
C	■ B	Merrill Lynch Intl Holdings-A/ML Funds	—*	12.2	1.0	197	-1	6.50	1.48
C	C	Merrill Lynch Technology-A[4]/ML Funds	10.8	21.7	30.5	76	15	6.50	1.97

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[1] Formerly Blanchard Strategic Growth Fund. [2] Flat fee of $75 on initial investment. [3] Reflects performance of Colonial Advanced Strategies Gold prior to 6/92 merger. [4] Originally part of Sci/Tech Holdings.

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 3/84 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Blended domestic and foreign stock index	16.5%	6.4%	2.3%				
		Forbes global fund composite	10.9%	9.7%	2.2%				$1.71
■ C	■ B	MFS Lifetime Worldwide Equity/MFS	—*	4.0%	none	$95	-8%	6.00%b	*$2.88*
		MFS Worldwide Total Return/MFS	—*	20.6	2.9%	42	53	4.75	*1.90*
-		National Global Allocation/National Secs	—*	7.6	0.6	43	32	5.75	*2.12*
		National WorldWide Oppors/National Secs	—*	5.4	0.1	63	6	5.75	*1.99a*
C	A	New Perspective Fund/American Funds	15.4%	18.1	1.9	2,920	53	5.75	*0.86*
		Oppenheimer Global Bio-Tech/Oppenheimer	—*	18.8	0.0	141	109	†	*1.50*
		Oppenheimer Global Environment/Oppenheimer	—*	-4.4	0.2	56	-10	5.75	*1.61*
A	B	Oppenheimer Global Fund/Oppenheimer	15.4	13.5	0.3	1,260	38	5.75	*1.35*
		Oppenheimer Global Growth & Inc/Oppenheimer	—*	10.2	2.5	44	75	5.75	*1.94*
D	C	Oppenheimer Gold & Spec Mins/Oppenheimer	7.0	5.0	1.7	134	-11	5.75	*1.35*
B	■ C	PaineWebber Atlas Global Growth-A/PaineWebber	—*	3.7	1.5	178	-14	4.50	*1.58*
		PaineWebber Global Energy Fund-A/PaineWebber	—*	7.6	1.2	43	-21	4.50	*1.83*
		PaineWebber Global Growth & Inc-A/PaineWebber	—*	12.1	4.0	73	-14	4.50	*1.95*
		Princor World Fund/Princor	—*	18.8	1.1	37	82	5.00	*1.59*
C	■ D	Prudential Global Fund-A/Prudential	—*	6.1	none	218	-15	5.25	*1.64*
		Prudential Global Genesis-A/Prudential	—*	6.6	none	38	-9	5.25	*1.52a*
A	C	Putnam Global Growth-A/Putnam	16.4	10.7	1.5	675	12	5.75	*1.52*
		Quest for Value Global Equity/Quest	—*	15.3	none	125	127	5.50	*1.76*
■ A	■ C	Scudder Global Fund/Scudder	—*	14.3	1.6	371	38	none	1.62
		Scudder Gold Fund/Scudder	—*	-6.9	none	31	-6	none	2.49a
C	■ D	Shearson Global Oppors/Shearson	—*	2.6	none	50	-15	5.00	1.60
■ F	■ B	Shearson Invest-Precious Metals/Shearson	—*	-10.2	none	36	-28	5.00b	*2.50*
		Smallcap World Fund/American Funds	—*	13.4	0.6	1,307	72	†	*1.31*
■ A	■ A	Templeton Emerging Markets/closed-end	—*	53.0	0.4	252	37	NA	1.85
		Templeton Global Oppors/Templeton	—*	24.1	1.4	236	32	5.75	*1.76*
		Templeton Global Utilities/closed-end	—*	24.3	4.6	40	19	NA	1.45
B	B	Templeton Growth Fund/Templeton	14.9	19.8	2.7	3,332	24	5.75	0.96
■ C	■ A	Templeton Income Fund/Templeton	—*	17.5	8.0	161	30	4.50	1.05
		Templeton Real Estate Secs/Templeton	—*	13.9	4.4	38	17	5.75	1.73
B	D	Templeton Smaller Cos Growth/Templeton	12.7	16.0	1.9	983	16	5.75	1.22
		Templeton Value Fund/Templeton	—*	10.4	0.8	125	-12	5.75	1.43
C	C	Templeton World Fund/Templeton	13.3	17.2	2.9	4,226	6	5.75	0.93
■ B	■ D	Thomson-Global-A/Thomson	—*	7.0	none	29	-15	5.50	*1.65*
D	■ C	United Services-Global Resources/United	—*	4.3	1.2	25	-10	none	2.33
■ D	■ D	United Services-World Gold/United	—*	-5.4	none	60	-9	none	2.20
■ C	■ B	USAA Investment-Cornerstone/USAA	—*	10.9	3.0	571	0	none	1.19
■ D	■ C	Van Eck Gold/Resources Fund/Van Eck	—*	1.1	0.3	127	-20	6.75	*1.62*
■ D	■ B	Van Eck World Trends Fund/Van Eck	—*	8.6	0.5	37	-21	5.75	*1.67*
■ C	■ C	Vanguard World-Intl Growth¹/Vanguard	—*	5.4	1.8	930	13	none	0.61
■ A	■ B	Vanguard World-US Growth¹/Vanguard	—*	16.2	1.3	1,287	98	none	0.52
■ C	■ D	Worldwide Value Fund/closed-end	—*	6.3	1.3	50	5	NA	2.15
		Yamaichi Global Fund/Yamaichi	—*	3.4	0.5	53	-10	4.75	1.94

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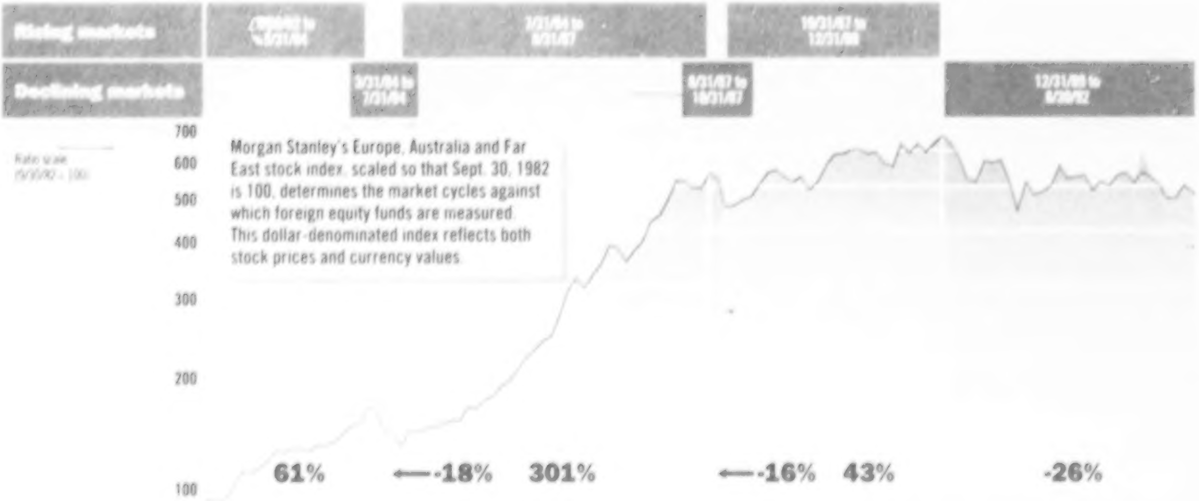
Foreign stock funds

The benchmark for measuring foreign stock funds is the dollar-denominated index from Morgan Stanley Capital International Perspective that tracks the price performance of over 1,000 stocks in Europe, Australia and the Far East. Many of these foreign markets declined during the 12 months ended in June: Measured in local currencies, the Morgan Stanley index was off 13.3%. But the dollar was also weak during this period—for example, it fell 15.7% against the German mark and 8.5% against the yen—and this worked to the advantage of U.S. investors. The dollar-denominated Morgan Stanley index shows a 12-month loss of only 2.5%. To be listed below, a fund must be based in the U.S., have at least $25 million in assets and have at least a full year of performance history.



Morgan Stanley's Europe, Australia and Far East stock index, scaled so that Sept. 30, 1982 is 100, determines the market cycles against which foreign equity funds are measured. This dollar-denominated index reflects both stock prices and currency values.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 9/82 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	19.3%	-0.7%	1.9%				
		Forbes foreign stock fund composite	14.1%	8.5%	1.4%				$1.72
B	C	Alliance International Fund-A/Alliance	17.5%	7.5%	0.5%	$186	-15%	5.50%	*$1.82*
		Alliance New Europe Fund-A/Alliance	—*	23.4	0.2	104	-19	5.50	*2.24*
D	D	ASA Limited/closed-end	4.4	-4.7	5.9	405	-10	NA	0.66
		Asia Pacific Fund/closed-end	—*	29.7	0.8	134	13	NA	1.92
		Austria Fund/closed-end	—*	-7.3	none	81	-9	NA	1.83
		Axe Core International ADR/USF&G	—*	-0.4	0.5	26	-2	†	*1.79*
		Bartlett Capital-Value Intl/Bartlett	—*	23.9	2.2	25	22	none	2.00
		Brazil Fund/closed-end	—*	3.2	none	173	2	NA	2.15
		Chile Fund/closed-end	—*	54.6	1.0	218	40	NA	1.75
		CoreFund-International Growth/Fairfield	—*	4.8	none	42	106	none	0.91a

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Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 9/82 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Morgan Stanley Capital Intl EAFE index	19.3%	-0.7%	1.9%				
		Forbes foreign stock fund composite	14.1%	8.5%	1.4%				$1.72
		Counsellors International Equity/Counsellors	—*	9.0%	2.4%	$121	110%	none	$1.50a
		Dean Witter European Growth/Dean Witter	—*	18.0	0.3	338	17	5.00%b	*2.43*
		Dean Witter Pacific Growth/Dean Witter	—*	10.1	0.1	146	139	5.00b	*2.84*
		Emerging Germany Fund/closed-end	—*	12.2	2.4	132	9	NA	1.70
		Emerging Mexico Fund/closed-end	—*	32.9	1.6	119	39	NA	1.78
■C	■C	EuroPacific Growth Fund/American Funds	—*	17.7	1.6	2,266	78	5.75	*1.24*
		Europe Fund/closed-end	—*	17.1	2.8	110	9	NA	1.56
		European Growth/USF&G	—*	18.0	1.4	27	14	†	*2.06*
		Fidelity Europe Fund/Fidelity	—*	20.9	3.0	443	54	3.00	1.27
		Fidelity Intl Growth & Income/Fidelity	—*	10.9	1.2	66	78	2.00	1.77
		Fidelity Overseas Fund/Fidelity	—*	16.4	1.7	971	7	3.00	1.53
		Fidelity Pacific Basin Fund/Fidelity	—*	-4.7	none	116	16	3.00	1.98
D	D	Fidelity Select–Prec Metals & Mins/Fidelity	3.2%	-11.0	1.1	138	-26	3.00	1.81
		Financial Series–Intl Growth/Invesco	—*	-4.2	1.3	36	-9	none	1.48
		Financial Strategic–European/Invesco	—*	18.6	1.9	146	125	none	1.46
■A	D	Financial Strategic–Pacific Basin/Invesco	—*	-9.1	0.9	28	39	none	1.90
		First Australia Fund/closed-end	—*	11.9	2.5	63	9	NA	2.07
		First Iberian Fund/closed-end	—*	8.2	1.6	60	6	NA	2.11
		First Philippine Fund/closed-end	—*	43.1	1.3	105	13	NA	1.95
		Flag Investors International Trust/Brown	—*	0.4	0.6	27	-33	4.50	*1.50a*
		France Growth Fund/closed-end	—*	26.6	1.1	111	1	NA	2.14
C	C	Franklin Gold Fund/Franklin	8.5	-3.5	3.2	257	-11	4.00	0.40a
		Future Germany Fund/closed-end	—*	23.4	0.1	192	20	NA	1.21
		GAM International Fund/GAM	—*	24.6	2.8	41	17	5.00	2.11
		GAM Pacific Basin Fund/GAM	—*	5.7	0.7	30	14	5.00	2.29
		Germany Fund[1]/closed-end	—*	22.3	0.3	158	20	NA	1.39
		Growth Fund of Spain/closed-end	—*	4.1	1.4	193	2	NA	1.23
		GT Global Growth–Europe/GT Global	—*	5.4	1.4	1,057	-21	4.75	*1.80*
		GT Global Growth–International/GT Global	—*	6.5	1.2	489	13	4.75	*1.90*
		GT Global Growth–Japan/GT Global	—*	-30.4	none	84	17	4.75	*2.20*
B	B	GT Global Growth–Pacific/GT Global	19.3	0.7	0.7	332	4	4.75	*2.00*
		GT Greater Europe Fund/closed-end	—*	2.5	0.2	183	1	NA	1.93
		Harbor International/HCA	—*	13.7	1.1	614	408	none	1.23
		IAI International Fund/IAI Funds	—*	13.9	1.1	37	14	none	*2.00*

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Fund performance adjusted for secondary offering.

Rules, page 122. Distributor table, page 194.

FOREIGN STOCK FUNDS

FUND SURVEY

Performance		Fund/distributor	—Total return—		Yield	—Assets—		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 9/82 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Morgan Stanley Capital Intl EAFE index	**19.3%**	**-0.7%**	**1.9%**				
		Forbes foreign stock fund composite	**14.1%**	**8.5%**	**1.4%**				**$1.72**
		IDS International Fund/IDS	—*	8.1%	0.6%	$231	5%	5.00%	*$1.45*
		IDS Precious Metals Fund/IDS	—*	-5.7	1.4	53	-26	5.00	*1.75*
		IDS Strategy-Worldwide Growth/IDS	—*	6.5	0.5	43	10	5.00b	*3.03*
		India Growth Fund/closed-end	—*	53.0	0.2	151	113	NA	1.80
		Indonesia Fund/closed-end	—*	-4.7	0.6	42	-5	NA	2.00
		International Equity/Federated	—*	9.4	0.9	118	36	4.50	1.52a
		Irish Investment Fund/closed-end	—*	12.5	4.4	48	8	NA	1.81
		Italy Fund/closed-end	—*	-10.2	2.6	61	-15	NA	1.58
		Ivy International Fund/Ivy	—*	15.9	1.2	118	51	5.75	*1.70*
		Jakarta Growth Fund/closed-end	—*	-8.8	0.7	36	-10	NA	2.15
B	D	**Japan Fund/Scudder**	17.7%	20.2	none	361	3	none	1.26
		Japan OTC Equity/closed-end	—*	-35.7	2.4	68	-37	NA	1.51
C	B	**Kemper International Fund/Kemper**	17.1	4.1	none	172	-9	5.75	1.42
C	C	**Keystone International Fund/Keystone**	12.0	13.0	3.8	67	-6	4.00b	*3.44*
D	C	**Keystone Precious Metals/Keystone**	4.6	1.3	0.7	128	-16	4.00b	*2.70*
C	C	**Kleinwort Benson Intl Equity/Kleinwort**	17.6	5.6	0.6	71	-6	none	1.88
		Korea Fund[1]/closed-end	—*	8.7	0.5	241	6	NA	1.50
		Latin America Investment Fund/closed-end	—*	54.2	3.6	118	36	NA	2.30
C	A	**Lexington Worldwide Emerg Mkts/Lexington**	11.2	10.7	1.2	29	13	none	1.97
		Malaysia Fund/closed-end	—*	3.7	0.5	110	3	NA	1.70
		Merrill Lynch Devel Capital Mkts/ML Funds	—*	17.4	2.2	127	13	4.00	1.77
		Merrill Lynch EuroFund-A/ML Funds	—*	16.6	3.7	598	7	6.50	1.13
A	C	**Merrill Lynch Pacific Fund-A/ML Funds**	23.6	-2.5	2.1	419	13	6.50	1.02
		Mexico Equity & Income/closed-end	—*	22.8	5.9	115	30	NA	1.57
A	A+	**Mexico Fund[1]/closed-end**	39.9	15.7	2.4	672	45	NA	1.13
		New Germany Fund/closed-end	—*	20.8	none	373	18	NA	1.05
		Newport Tiger Fund/Newport	—*	24.6	none	85	304	5.00	1.83
		Nomura Pacific Basin Fund/Nomura	—*	-14.1	2.2	44	-20	none	1.46
		Pacific-European Growth Fund/closed-end	—*	7.8	0.7	36	5	NA	1.92
		PaineWebber Europe Growth-A/PaineWebber	—*	1.3	2.7	105	-25	4.50	*2.00*
		Phoenix Multi-International/Phoenix	—*	0.3	3.1	28	48	4.75	*2.09*
		Pierpont International Equity/TBC	—*	2.1	0.0	40	61	none	1.38a
		Pioneer Europe Fund/Pioneer	—*	19.6	0.3	37	208	5.75	*2.00a*
		Portugal Fund/closed-end	—*	15.4	0.9	62	14	NA	1.96

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Fund performance adjusted for secondary offering.

Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 9/82 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Morgan Stanley Capital Intl EAFE index	19.3%	-0.7%	1.9%				
		Forbes foreign stock fund composite	14.1%	8.5%	1.4%				$1.72
		T Rowe Price European Stock/Price	—*	19.6%	0.7%	$139	53%	none	$1.54
		T Rowe Price Intl Discovery/Price	—*	4.1	1.0	196	14	none	1.50a
B	B	T Rowe Price Intl Stock/Price	19.6%	13.2	1.5	1,863	44	none	1.10
		T Rowe Price New Asia/Price	—*	17.5	1.5	239	215	none	1.74a
		ROC Taiwan Fund/closed-end	—*	-8.9	none	252	-14	NA	1.92
		Rodney Square Intl Equity/Rodney Sq	—*	1.5	0.4	31	-43	4.00%	*1.75a*
		Scottish Widows Intl/Advest	—*	7.3	0.9	42	-2	5.50	*1.99*
C	B	Scudder International Fund/Scudder	19.0	7.9	1.5	1,022	14	none	1.30
		Scudder New Asia Fund/closed-end	—*	0.3	0.6	110	-1	NA	1.79
		Scudder New Europe Fund/closed-end	—*	8.9	2.8	169	6	NA	1.85
		Shearson Equity-International/Shearson	—*	0.2	none	28	-32	5.00b	*2.77*
		Shearson Invest-European/Shearson	—*	10.5	2.1	28	0	5.00b	*2.65*
		Spain Fund/closed-end	—*	8.8	1.6	117	6	NA	1.98
		Swiss Helvetia Fund/closed-end	—*	21.4	0.2	131	30	NA	1.85
		Taiwan Fund[1]/closed-end	—*	-2.8	none	173	23	NA	3.10
■ C	A	Templeton Foreign Fund/Templeton	—*	20.7	2.8	1,649	47	5.75	1.03
		Thai Capital Fund/closed-end	—*	4.6	1.5	59	2	NA	2.51
		Thai Fund/closed-end	—*	6.7	1.3	163	4	NA	1.69
		Turkish Investment Fund/closed-end	—*	-16.2	1.1	43	-20	NA	2.42
		20th Century Intl Equity/20th Century	—*	26.2	0.1	187	NM	—[2]	1.91
		United Gold & Government Fund/Waddell	—*	-2.6	1.5	35	-32	8.50	1.57
C	A	United International Growth/Waddell	16.2	21.5	1.2	322	24	8.50	1.15
		United Kingdom Fund/closed-end	—*	22.4	2.3	47	15	NA	1.74
D	F	United Services-Gold Shares/United	-3.8	-36.5	3.6	208	-30	none	1.64
		USAA Investment-Gold Fund/USAA	—*	-5.8	1.3	115	-14	none	1.44
		USAA Investment-International/USAA	—*	16.5	0.7	39	51	none	1.74
		UST Master Funds-International/UST	—*	2.9	0.9	47	29	4.50	1.52
C	D	Van Eck International Investors/Van Eck	5.8	-14.4	1.6	488	-26	8.50	1.17
		Van Kampen Merritt S-T Global-A/Van Kampen	—*	11.4	9.0	443	424	3.00	*1.11a*
		Vanguard Intl Eq Index-European/Vanguard	—*	24.1	2.4	239	81	‡[3]	0.33
		Vanguard Intl Eq Index-Pacific/Vanguard	—*	-18.0	0.7	149	122	‡[3]	0.32
■ D	■ C	Vanguard Special-Gold & Prec/Vanguard	—*	-4.3	2.8	193	10	none§	0.35
■ B	B	Vanguard Trustees Comm-Intl/Vanguard	—*	8.4	2.6	850	1	none	0.38
		Vontobel EuroPacific/Newport	—*	11.0	0.0	37	164	5.00	1.88

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee, with proceeds reverting to other fund shareholders. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. ‡Distributor may impose purchase fee, with proceeds reverting to other fund shareholders. [1] Fund performance adjusted for secondary offering. [2] Fee of $10 on accounts less than $1,000. [3] Annual $10 maintenance fee.

Rules, page 122. Distributor table, page 194.

Global bond funds

Given the paltry returns of U.S. money market funds and Treasury bills it is no wonder that U.S. investors have flocked to funds that buy foreign government bonds and foreign commercial paper. The number of such funds jumped from 31, with $15 billion in total assets in 1991 to 51, with $32 billion in assets this year. Just remember that these funds are not a high-yielding substitute for domestic money markets. Any combination of rising interest rates abroad or a stronger U.S. dollar would sharply reduce their returns. And more than half these funds have sales charges.

	Total return: Annual average 9/82 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
Forbes global bond fund composite		12.9%	8.2%				$1.36
ACM Managed Multi-Market Trust/closed-end	—*	6.9%	11.4%	$108	-4%	NA	$1.51
Alliance Multi-Market Income/Alliance	—*	3.7	5.7	90	21	none	*1.82a*
Alliance Multi-Market Strategy-A/Alliance	—*	6.1	9.5	1,201	178	3.00%	*1.32*
Alliance Short-Term Multi-Market/Alliance	—*	7.1	8.2	6,069	17	3.00	*1.09*
Alliance World Income/Alliance	—*	4.6	6.1	529	9	none	*1.62*
Blanchard Short-Term Global Income/Sheffield	—*	5.9	8.5	1,273	200	—[1]	*1.32a*
Capital World Bond Fund/American Funds	—*	15.8	6.8	149	149	4.75	*1.42*
Dean Witter Global S-T Income/Dean Witter	—*	6.9	8.5	493	55	3.00b	*1.54*
Dean Witter World Wide Income/Dean Witter	—*	8.9	7.2	346	-20	5.00b	*1.87*
Eaton Vance Short-Term Global/Eaton Vance	—*	6.3	7.8	691	74	3.00b	*2.00*
Equitable Funds–S-T World Income-A/Equitable	—*	4.9	8.1	43	-34	3.00	*1.18a*
Fidelity Global Bond Fund/Fidelity	—*	13.3	9.9	274	111	none	1.30
First Australia Prime Income/closed-end	—*	19.2	11.4	858	-3	NA	1.46
Franklin Global Opportunity Income/Franklin	—*	12.6	8.9	118	173	4.00	0.50a
Freedom Inv II–Global Income-A/Hancock	—*	12.1	7.8	207	14	4.50	*1.35*
Freedom Short-Term World Income-A/Hancock	—*	5.3	9.1	285	106	4.50	*1.11*
Global Government Plus Fund/closed-end	—*	16.5	8.6	390	13	NA	1.07
Global Income Plus Fund/closed-end	—*	17.9	8.8	255	10	NA	1.12
Global Yield Fund/closed-end	—*	13.0	6.8	564	2	NA	0.99
GT Investment–Global Bond/GT Global	—*	16.6	8.4	74	57	4.75	*1.75*
GT Investment–Global Govt Income/GT Global	—*	12.1a	10.8	524	49	4.75	*1.54*
IDS Global Bond Fund/IDS	—*	20.8	6.7	71	52	5.00	*1.37*
Intl Currency–Global[2]/Huntington	—*	12.5	5.3	67	-2	2.25	*1.82*
Intl Currency–Hard Currency/Huntington	—*	23.8	5.3	40	30	2.25	*1.86*
Intl Currency–High Income/Huntington	—*	20.2	7.7	59	9	2.25	*1.83*
Kemper Invest–Short-Term Global/Kemper	—*	5.6	8.8	325	484	3.00b	*2.16*
Kemper Short-Term Global Income/Kemper	—*	7.0	9.4	406	215	3.50	1.20
Kleinwort Benson Australian Income/closed-end	—*	18.5	10.0	73	5	NA	1.62
Lord Abbett Global-Income/Lord Abbett	—*	22.5	9.3	120	56	4.75	*1.30*
Merrill Lynch Global Bond Inv & Ret-A/ML Funds	—*	22.5	9.5	499	65	4.00	0.99
Merrill Lynch S-T Global Income-A/ML Funds	—*	7.9	8.6	5,769	5	3.00	*0.99*
Merrill Lynch World Income-A[3]/ML Funds	—*	20.1	11.3	805	183	4.00	0.90
MFS Worldwide Governments/MFS	14.4%	20.6	5.8	323	88	4.75	*1.61*
PaineWebber Global Income-A/PaineWebber	—*	16.4	7.9	1,705	16	4.00	*1.35*
PaineWebber S-T Global Income-A/PaineWebber	—*	8.0	7.2	716	29	3.00	*1.15*
T Rowe Price Global Govt Bond/Price	—*	13.1	8.3	62	521	none	1.24

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1] Flat fee of $75 on initial investment. [2] Invests in foreign money market instruments. [3] Formerly World Income Fund.

Rules, page 122. Distributor table, page 194.

	Total return: Annual average 9/82 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
Forbes global bond fund composite		**12.9%**	**8.2%**				**$1.36**
T Rowe Price International Bond/Price	—*	25.0%	8.1%	$521	82%	none	$1.24
Prudential Intermed Global Income-A/Prudential	—*	9.3	8.7	257	-40	3.00%	*1.45*
Prudential S-T Global–Income-A/Prudential	—*	9.0	9.3	1,006	117	3.00	*1.01*
Prudential S-T Global–Assets-A/Prudential	—*	7.1	7.9	441	682	0.99	*1.29*
Putnam Global Governmental Income/Putnam	—*	13.4	8.0	395	38	4.75	*1.52*
Scudder International Bond/Scudder	—*	28.2	7.9	541	276	none	1.25a
Scudder Short-Term Global Income/Scudder	—*	13.3	9.2	849	NM	none	1.00a
Shearson Income–Global Bond/Shearson	—*	14.7	5.9	52	5	5.00b	*2.00*
Shearson Income–S-T Global Income/Shearson	—*	6.1	6.7	130	-39	3.00b	*1.75a*
Shearson S-T World Income/Shearson	—*	6.2	7.6	252	-49	3.00	*1.26*
Shearson World Wide Prime Assets/Shearson	—*	4.5	6.1	439	-40	none	*1.80a*
SunAmerica Global Short-Term Inc/SunAmerica	—*	6.0	8.8	54	164	3.00b	*0.39a*
Templeton Global Govt Income/closed-end	—*	19.8	9.3	199	12	NA	1.09
Templeton Global Income Fund†/closed-end	—*	17.6	9.5	1,048	8	NA	0.81
Van Eck World Income Fund/Van Eck	—*	22.2	8.8	221	142	4.75	*1.39*

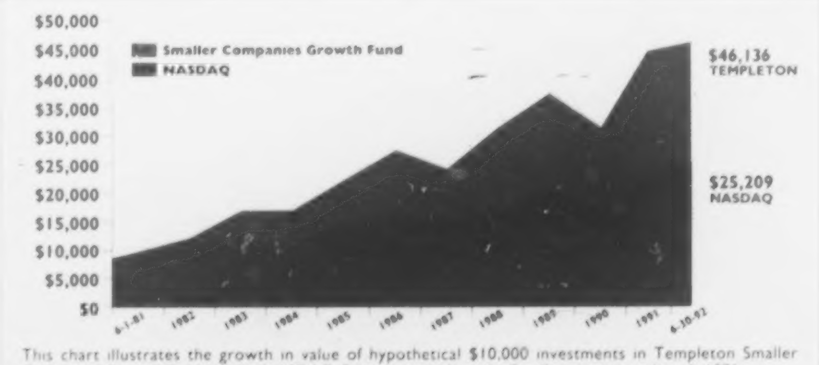
*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. NM: Not meaningful. †Fund performance adjusted for secondary offering.

Rules, page 122. Distributor table, page 194.

The Big Difference

Templeton Smaller Companies ~~Growth~~ Fund

Take a look at how small companies can offer big returns. The NASDAQ Composite consists of over 3,500 smaller company stocks traded over-the-counter. The Templeton Smaller Companies Growth Fund offers the aggressive investor investment opportunities in common stocks issued by smaller companies worldwide and a track record that has out-performed the NASDAQ Composite for the last 10 years!



This chart illustrates the growth in value of hypothetical $10,000 investments in Templeton Smaller Companies Growth Fund and the NASDAQ Composite made at the Fund's inception on June 1, 1981

***Average Annual Total Returns as of 6-30-92:**
1 Year +9.6%
5 Years +6.0%
10 Years +17.1%

Find Out What A Big Difference *Templeton Smaller Companies Growth Fund* Could Make To Your Portfolio!

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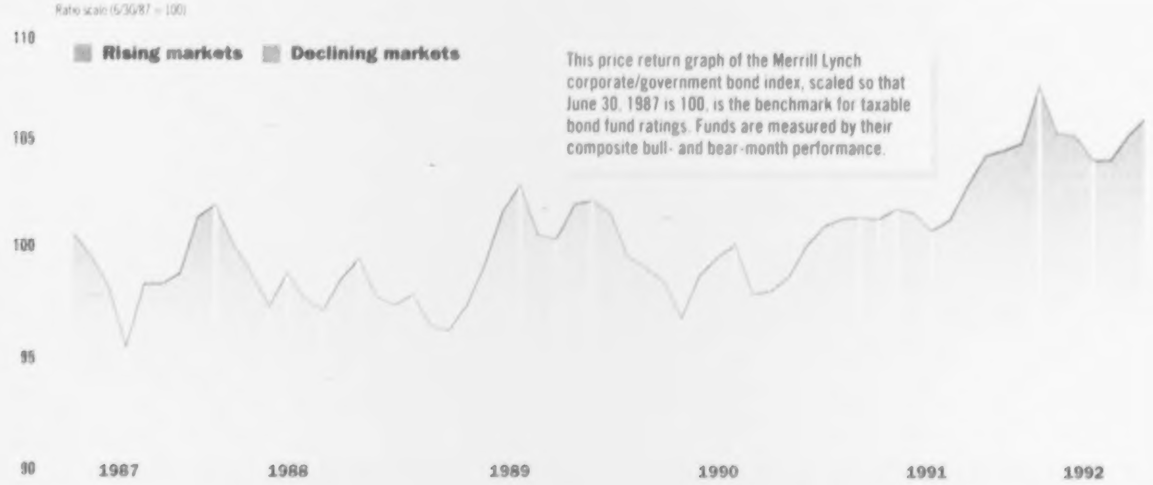
You will receive a free prospectus containing more complete information, including all charges and expenses. Read it carefully before you invest or send money. *Performance results include change in share price, reinvestment of dividends and capital gains, and the effect of the Fund's maximum 5.75% sales charge. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their initial cost. Past performance is no guarantee of future results. Templeton Funds Distributor, Inc., P.O. Box 33030, St. Petersburg, FL 33733

Taxable bond funds

Our benchmark for grading taxable bond funds is the Merrill Lynch corporate/government bond index. We evaluate performance over the five years beginning June 30, 1987. Each month in the period is pegged as bearish or bullish, according to the month end price of the Merrill Lynch index. For each rated fund a composite bull market performance (based on all the months in which the Merrill Lynch index increased in price) is calculated and funds are awarded grades on a curve. The same exercise is done to score bear market performance. To be graded, a fund must have reported results for the full five-year period. Nongraded funds must have a minimum of $100 million in assets and at least a full year of performance history to appear in the table below.



This price return graph of the Merrill Lynch corporate/government bond index, scaled so that June 30, 1987 is 100, is the benchmark for taxable bond fund ratings. Funds are measured by their composite bull- and bear-month performance.

Performance UP markets	 DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	 Last 12 months	Yield	Assets 6/30/92 ($mil)	 % change 92 vs 91	Maximum sales charge	Annual expenses per $100
--		**Merrill Lynch corporate/govt bond index**	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		AAL Bond Fund[1]/AAL	—*	13.8%	6.9%	$252	72%	4.75%	*$1.03a*
D	B	**AARP Inc–GNMA & US Treasury/Scudder**	9.6%	12.9	7.7	4,615	57	none	0.74
C	C	**AARP Inc–High Quality Bond/Scudder**	9.3	13.2	6.5	323	85	none	1.17
		ACM Government Income Fund/closed-end	—*	17.6	10.9	498	5	NA	1.30
		ACM Government Opportunity/closed-end	—*	17.6	9.7	112	7	NA	1.23
		ACM Government Securities/closed-end	—*	17.8	10.9	692	5	NA	1.28
		ACM Government Spectrum/closed-end	—*	14.3	9.7	276	3	NA	1.35
		ACM Managed Income Fund/closed-end	—*	24.5	10.9	259	65	NA	1.10
D	C	**Advantage Government Securities/Advest**	7.5	12.1	7.2	133	28	4.00b	*1.40a*
D	A	**AIM Government Securities/AIM**	9.1	12.6	7.9	117	58	5.00	*1.00a*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1] Formerly AAL Income Fund.

Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 6/87 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
A	D	AIM Income Fund[1]/AIM	9.4%	15.4%	7.7%	$224	3%	5.00%	*$1.00a*
		AIM Limited Maturity Treasury Shs/AIM	—*	9.6	6.1	228	84	1.00	*0.49*
C	C	Alliance Bond–US Government-A/Alliance	9.1	13.5	8.6	524	7	3.00	*1.12*
C	B	Alliance Mortgage Secs Income-A/Alliance	10.3	13.5	9.4	872	76	3.00	*1.16*
		Allstate Prime Income Trust[2]/Dean Witter	—*	6.7	6.6	428	-9	3.00b	1.52
		American Adj Rate Term–1995/closed-end	—*	12.1	7.9	111	3	NA	0.66
		American Adj Rate Term–1996/closed-end	—*	10.4	8.4	262	1	NA	0.62
C	D	American Capital Bond Fund/closed-end	8.2	15.7	8.5	219	7	NA	0.72
D	B	American Capital Corp Bond/American Cap	9.2	14.6	8.2	186	1	4.75	*1.00*
D	C	American Capital Federal Mort-A/American Cap	8.3	6.8	7.1	161	347	4.00	*1.16a*
B	D	American Capital Govt Secs-A/American Cap	9.6	13.8	8.4	3,779	1	4.75	*0.96*
		American Capital Income Trust/closed-end	—*	22.0	11.1	120	9	NA	1.03
		American Government Income/closed-end	—*	25.0	10.1	168	13	NA	1.09
		American Government Income Port/closed-end	—*	26.4	9.8	246	13	NA	1.08
		American Opportunity Income/closed-end	—*	30.5	9.9	225	15	NA	1.22
D	A	AMEV Securities/closed-end	9.8	14.7	10.5	119	6	NA	0.82
B	C	Babson Bond–Portfolio L/Jones & Babson	9.8	14.7	7.9	131	28	none	0.98
D	B	Bartlett Capital–Fixed Income/Bartlett	9.0	13.1	6.6	145	-2	none	1.00
B	B	Benham GNMA Income/Benham	10.9	14.1	7.9	829	68	none	0.62
A+	F	Benham Target Maturities–2000/Benham	16.4	24.7	4.9	157	101	none	0.68
A+	F	Benham Target Maturities–2005/Benham	16.6	25.3	4.4	160	33	none	0.67
A+	F	Benham Target Maturities–2015/Benham	13.2	25.3	5.6	151	-34	none	0.63
C	C	Benham Treasury Note Fund/Benham	8.8	12.7	6.2	333	71	none	0.59
		Bernstein Govt Short Duration/Bernstein	—*	10.4	5.8	249	21	none	0.65
		Bernstein Intermediate Duration/Bernstein	—*	14.7	7.0	478	44	none	0.63
		Bernstein Short Duration +/Bernstein	—*	10.8	6.3	518	25	none	0.65
		Blackrock Advantage Term Trust/closed-end	—*	17.7	9.0	101	8	NA	1.30
		Blackrock Income Trust[3]/closed-end	—*	20.6	9.5	590	11	NA	1.03
		Blackrock Target Term Trust[4]/closed-end	—*	19.3	9.0	976	8	NA	0.92
		Wm Blair–Income/Wm Blair	—*	16.4	8.3	111	94	none	0.91a
C	B	Bond Fund of America/American Funds	10.1	17.1	8.3	3,338	46	4.75	*0.77*
F	A	Capstone Govt Income/Capstone	5.2	5.8	3.7	102	276	none	*1.63*
D	B	Cardinal Government Obligations/Cardinal	9.5	10.6	9.0	155	28	4.50	0.76
A	D	Colonial Federal Secs-A[5]/Colonial	9.4	13.5	7.6	1,873	-8	4.75	*1.21*
D	B	Colonial Income Fund-A/Colonial	8.7	13.9	8.8	151	6	4.75	*1.25*
		Colonial InterMarket Income I/closed-end	—*	18.2	10.3	126	6	NA	1.07
		Colonial US Government-A/Colonial	—*	9.2	9.1	1,229	296	4.75	*1.16*
A	C	Columbia Fixed Income Secs/Columbia	10.5	15.6	7.2	238	45	none	0.66
B	D	Common Sense–Government/Common Sense	9.3	14.4	7.6	244	48	6.75	0.96
C	C	Composite US Govt Securities/Murphey	9.8	12.8	7.3	168	67	4.00	*1.01*
		Comstock Partners Strategy Fund/Comstock	—*	8.4	8.5	776	-35	4.50	1.11

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Rules, page 122. Distributor table, page 194.

TAXABLE BOND FUNDS

FUND SURVEY

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 6/87 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Counsellors Intermed Maturity Govt/Counsellors	—*	13.8%	6.6%	$115	52%	none	$0.60a
		Dean Witter Government Income/closed-end	—*	10.2	8.2	559	2	NA	0.72
B	D	Dean Witter Govt Secs Plus/Dean Witter	8.8%	12.6	7.4	1,183	-6	5.00%b	*1.49*
		Dean Witter Intermediate Inc/Dean Witter	—*	13.0	7.3	168	49	5.00b	*1.67*
D	A	Dean Witter US Govt Securities/Dean Witter	8.5	9.8	8.7	12,260	16	5.00b	*1.17*
D	A+	Delaware Group Treas Res Intermed/Delaware	8.8	11.3	7.7	387	243	3.00	*0.90a*
C	B	Delaware Group US Govt/Delaware	9.5	12.9	8.6	181	14	4.75	*1.18*
		Dodge & Cox Income Fund/Dodge & Cox	—*	15.5	7.1	122	88	none	0.64
A	D	Dreyfus A Bonds Plus/Dreyfus	9.9	16.1	7.5	486	32	none	0.88
C	C	Dreyfus GNMA Fund/Dreyfus	9.2	11.7	7.9	1,800	11	none	*0.95*
B	C	Dreyfus 100% US Treasury Intermed/Dreyfus	9.5	14.0	8.0	202	121	none	0.62a
A+	F	Dreyfus 100% US Treasury L-T/Dreyfus	10.2	15.4	7.9	224	135	none	0.25a
D	A	Dreyfus Short-Intermediate Govt/Dreyfus	9.4	12.7	7.3	226	152	none	0.33a
		Dreyfus Strategic Governments Inc/closed-end	—*	13.9	9.2	165	4	NA	0.88
D	B	Eaton Vance Govt Obligations/Eaton Vance	9.5	11.4	9.4	441	55	4.75	*1.18*
		Eaton Vance Prime Rate Res[1]/Eaton Vance	—*	6.5	6.3	1,364	-30	3.00b	1.37a
		Eaton Vance Short-Term Treasury/Eaton Vance	—*	4.4	none	101	48	none	*0.60a*
C	B	Fidelity Advisor Limited Term Bond/Fidelity	9.6	13.5	8.2	178	-43	4.75	0.57
D	A	Fidelity Advisor US Govt Income/Fidelity	9.2	11.0	7.2	194	31	4.75	0.45
C	B	Fidelity Ginnie Mae/Fidelity	10.0	12.8	7.2	916	18	none	0.81
C	B	Fidelity Government Securities/Fidelity	9.7	14.9	7.5	526	14	none	0.70
D	B	Fidelity Intermediate Bond Fund/Fidelity	9.1	12.8	7.3	1,304	44	none	0.63
B	C	Fidelity Investment Grade Bond[2]/Fidelity	10.1	15.5	8.1	953	109	none	0.70
C	B	Fidelity Mortgage Securities/Fidelity	10.0	12.8	7.1	441	9	none	0.80
D	A+	Fidelity Short-Term Bond/Fidelity	8.7	12.6	8.5	1,370	429	none	0.86
D	A	Financial Bond Shs–Select Income/Invesco	9.1	15.7	7.9	117	116	none	*1.15*
C	A	First Boston Income Fund/closed-end	10.7	21.7	10.3	214	11	NA	0.87
A	D	First Investors Government Fund/First Inv	9.6	12.9	6.9	302	-2	6.90	*1.35a*
		Flag Inv Total Return US Treas[3]/Brown	—*	13.8	7.8	442	18	4.50	*0.80*
A	D	Fort Dearborn Income Securities/closed-end	10.9	17.2	7.7	114	9	NA	0.81
D	B	Fortis Advantage–Govt Total Return/Fortis	8.1	9.2	8.1	100	37	4.50	*1.25a*
C	B	Fortis US Govt Securities Fund[4]/Fortis	9.9	12.4	8.6	531	51	4.50	0.72
		Franklin Adj US Govt Securities/Franklin	—*	7.1	6.6	3,564	51	3.00	*0.37a*
		Franklin Principal Maturity Trust/closed-end	—*	16.4	8.4	173	6	NA	1.03
D	A	Franklin Short-Intermed US Govt/Franklin	7.3	10.4	6.5	183	121	1.50	0.71
C	A	Franklin Tax-Advantaged US Govt/Franklin	10.6	12.8	7.7	192	118	4.00	0.80
D	A	Franklin US Government Securities/Franklin	10.2	11.6	8.6	13,319	13	4.00	0.52
A	D	Freedom Inv–Govt Income-A/Hancock	9.9	13.4	8.0	197	36	4.50	*0.65*
D	A	Fund for US Govt Securities/Federated	9.9	11.4	8.4	1,489	26	4.50	0.95
D	D	GNA Investors–US Govt Securities/GNA	7.5	11.8	7.6	590	411	5.00b	*1.68*
D	B	Government Income Securities/Federated	9.8	11.3	8.6	2,556	82	2.00b	0.92

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/87 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Gradison-McDonald Govt Income[1]/Gradison	—*	12.4%	6.9%	$179	63%	2.00%	*$0.96*
		GW Sierra-Corporate Income/Gt Western	—*	16.2	8.5	168	369	4.50	*1.00*
		GW Sierra-US Government Secs/Gt Western	—*	13.8	8.1	502	201	4.50	*0.80*
B	C	John Hancock Govt Spectrum/Hancock	10.1%	13.6	7.1	355	2	4.50	*1.42*
B	C	John Hancock Income Securities/closed-end	10.3	14.6	8.8	159	6	NA	0.75
B	C	John Hancock Investors Trust/closed-end	10.1	15.0	8.9	155	7	NA	0.74
C	B	John Hancock Sovereign Bond[2]/Hancock	9.9	13.8	8.2	1,311	14	4.50	*1.27*
D	B	John Hancock US Govt Securities/Hancock	7.9	10.8	6.9	244	31	4.50	*1.44*
		Hyperion Total Return Fund/closed-end	—*	10.2	11.4	270	-1	NA	1.10
A	D	IAI Bond Fund/IAI Funds	9.8	14.9	7.7	104	-9	none	*1.10*
F	A+	IAI Reserve Fund/IAI Funds	7.1	6.1	5.1	110	13	none	*0.85*
B	C	IDS Bond Fund/IDS	9.8	17.1	7.9	2,082	13	5.00	0.72
D	A	IDS Federal Income Fund/IDS	9.0	8.9	7.0	834	110	5.00	0.80
B	D	IDS Selective Fund/IDS	9.8	15.0	7.3	1,494	14	5.00	0.80
B	D	IDS Strategy-Income/IDS	8.6	16.6	7.3	414	54	5.00b	*1.77*
D	A	InterCapital Income Securities/closed-end	10.0	16.7	10.3	227	7	NA	0.66
		Intermediate Bond Fund of Amer/American Funds	—*	12.4	7.9	1,048	216	4.75	*1.00a*
		ISI Total Return US Treasury[3]/ISI	—*	13.8	7.8	442	18	4.45	*0.80*
		Janus Flexible Income Fund/Janus	—*	19.2	9.3	147	433	none	1.00a
		Kemper Adjustable Rate US Govt/Kemper	—*	12.6	7.6	152	103	3.50	*0.39a*
D	B	Kemper Inc & Cap Preservation/Kemper	9.4	14.2	8.2	458	11	4.50	0.81
		Kemper Intermediate Government/closed-end	—*	13.8	8.9	305	5	NA	0.93
F	A	Kemper Invest-Diversified Income/Kemper	7.2	27.7	9.7	265	13	3.00b	*2.16*
B	D	Kemper Invest-Government/Kemper	8.7	15.4	8.2	5,450	13	3.00b	*1.89*
		Kemper Invest-Short-Intermed Govt/Kemper	—*	10.8	6.8	185	86	3.00b	*2.00*
		Kemper Multi-Market Income/closed-end	—*	27.9	10.3	219	15	NA	1.00
B	C	Kemper US Government Secs/Kemper	10.0	14.8	8.6	6,405	29	4.50	0.65
		Keystone America Cap Pres & Income I/Keystone	—*	6.8	6.8	130	121	3.50	*0.74a*
C	D	Keystone Custodian B-1/Keystone	8.1	12.5	7.5	455	5	4.00b	*2.00*
D	C	Keystone Custodian B-2/Keystone	7.0	17.0	8.9	872	10	4.00b	*1.97*
		Legg Mason Inc-US Govt Intermed/Legg Mason	—*	13.3	6.1	252	95	none	*0.85a*
A	D	Lexington GNMA Income Fund/Lexington	9.8	13.6	7.5	131	27	none	1.02
D	B	Liberty Advantage US Govt Secs/Liberty	8.8	11.6	8.2	743	70	4.50	0.86
A	D	Lord Abbett US Govt Secs/Lord Abbett	10.1	14.6	9.2	2,812	52	4.75	*0.94*
B	C	Lutheran Brotherhood Income/Lutheran	10.2	14.3	7.8	870	16	5.00	0.97
A	D	Mackenzie Fixed Income Trust/Mackenzie	10.2	14.7	6.4	102	11	4.75	*1.50a*
C	D	MainStay-Government Plus/NYLife	8.3	11.3	8.5	879	51	5.00b	*1.71*
F	A+	MassMutual Corporate Investors/closed-end	7.9	13.6	9.3	128	3	NA	1.44
B	C	Merrill Lynch Corp-High Quality-A/ML Funds	10.0	14.5	7.6	587	20	4.00	0.59
C	B	Merrill Lynch Corp-Intermediate/ML Funds	9.6	13.1	7.8	132	37	2.00	0.63
C	B	Merrill Lynch Federal Securities/ML Funds	10.0	11.6	7.3	4,005	81	4.00	*0.58*

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Rules, page 122. Distributor table, page 194.

Performance UP markets	 DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	 Last 12 months	Yield	Assets 6/30/92 ($mil)	 % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	**10.2%**	**14.2%**	**7.9%**				
		Forbes taxable bond fund composite	**9.4%**	**14.2%**	**8.0%**				**$1.00**
		Merrill Lynch Prime Fund[1]/ML Funds	—*	6.9%	6.7%	$1,000	-40%	3.00%b	$1.36
B	C	MetLife-State Street Govt Inc/State St	9.6%	14.7	7.6	758	-5	none	*1.05*
B	C	MFS Bond Fund/MFS	10.2	16.3	8.0	460	46	4.75	*0.91*
		MFS Charter Income/closed-end	—*	18.2	9.4	936	5	NA	1.02
B	D	MFS Government Income Plus/MFS	7.6	12.0	6.1	779	-17	4.75	*1.44*
B	C	MFS Government Markets Income/closed-end	10.1	14.1	7.3	782	1	NA	1.04
		MFS Government Premium Fund/MFS	—*	7.9	5.0	323	-21	3.75	*1.33*
C	C	MFS Government Securities/MFS	8.7	12.7	7.8	355	10	4.75	*1.25*
		MFS Intermediate Income/closed-end	—*	13.7	7.2	1,653	2	NA	0.98
C	D	MFS Lifetime Govt Income +/MFS	6.9	11.0	5.8	2,630	-10	6.00b	*1.95a*
		MFS Lifetime Intermediate Income/MFS	—*	12.4	6.0	288	92	6.00b	*2.24*
C	A	MFS Multimarket Income Trust/closed-end	11.8	16.6	8.0	977	3	NA	1.05a
C	A	Montgomery Street Income Secs/closed-end	10.6	16.5	9.0	192	28	NA	0.81
A	D	National Federal Securities/National Secs	8.8	16.9	7.7	336	-6	4.75	*1.07*
		National Multi-Sector Fixed Inc-A/National Secs	—*	19.3	9.2	169	722	4.75	*1.50*
D	A	N & B Limited Maturity/N & B	8.7	10.3	6.3	242	70	none	0.65a
		New America High Income Fund/closed-end	—*	31.2	13.1	184	8	NA	1.97
D	A+	Nicholas Income Fund/Nicholas	8.1	13.2	9.6	103	49	none	0.66
F	A+	Northeast Investors Trust/Northeast Inv	7.3	26.7	12.6	416	52	none	0.84
C	B	Oppenheimer GNMA Fund/Oppenheimer	9.6	12.9	7.1	100	20	4.75	*1.32*
B	C	Oppenheimer Govt Securities/Oppenheimer	10.2	12.8	7.4	160	-8	4.75	*0.98*
		Oppenheimer Multi-Sector Income/closed-end	—*	16.7	10.8	306	6	NA	1.10
		Oppenheimer Strategic Income/Oppenheimer	—*	16.5	9.4	1,378	258	4.75	*1.18*
C	B	Oppenheimer US Government/Oppenheimer	9.1	13.0	7.1	396	16	4.75	*1.15*
		Overland Express Variable Rate Govt/Overland	—*	7.1	7.1	1,806	NM	3.00	*0.72a*
C	A	Pacific American Income Shares/closed-end	10.7	17.7	8.8	109	8	NA	0.84
		Pacific Horizon–US Government/Pacific	—*	13.8	7.5	110	270	4.50	0.37a
		Pacifica Asset Preservation Fund/Furman Selz	—*	7.6	5.9	110	79	none	*0.77a*
		Pacifica Government Income/Furman Selz	—*	12.3	7.2	119	88	4.50	*0.79a*
A	D	PaineWebber Income Fund-A/PaineWebber	9.2	17.6	8.4	184	25	4.00	*1.12*
B	C	PaineWebber Inv Grade Inc-A/PaineWebber	9.8	15.0	8.0	228	4	4.00	*0.99*
B	C	PaineWebber US Govt Income-A/PaineWebber	9.7	13.4	7.7	808	7	4.00	*0.95*
		Parkstone Bond/Winsbury	—*	13.4	7.2	475	10	4.00	0.88a
		Parkstone Intermediate Govt Oblig/Winsbury	—*	12.0	6.8	235	65	4.00	0.85a
		Parkstone Limited Maturity/Winsbury	—*	11.0	7.0	117	66	3.00	0.71a
		Permanent Port–Treasury Bill/Permanent	—*	4.2	2.0	312	12	—[2]	*0.73a*
		Pilgrim Adj US Govt Secs III/Pilgrim	—*	8.9	7.9	932	354	5.00	0.27a
		Pilgrim Prime Rate Trust[3]/closed-end	—*	7.2	6.4	804	-24	NA	1.42a
F	B	Pilgrim S-T Multi-Market Income/Pilgrim	-6.2	0.2	10.0	136	-21	3.00	*1.47*
D	B	Pioneer Bond Fund/Pioneer	9.5	13.0	8.0	103	36	4.50	*1.09*
B	D	Piper Jaffray Govt Income/Piper	8.0	15.8	9.1	107	45	4.00	*1.24*

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TAXABLE BOND FUNDS

*FUND SURVEY

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 6/87 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Piper Jaffray Inst Govt Income/Piper	—*	16.9%	8.3%	$338	280%	1.50%	*$0.67*
		Portico-Bond IMMDEX Fund/Sunstone	—*	14.3	6.6	156	137	‡	0.50a
		Preferred Income/closed-end	—*	34.4	9.6	207	75	NA	1.73
C	A	Premier GNMA/Dreyfus	11.2%	13.3	7.7	135	69	4.50	*0.64a*
C	B	T Rowe Price GNMA Fund/Price	9.8	13.6	8.0	800	52	none	0.86
C	C	T Rowe Price New Income Fund/Price	9.8	13.2	7.1	1,361	18	none	0.87
D	A	T Rowe Price Short-Term Bond/Price	8.3	10.8	7.0	415	91	none	0.87
		T Rowe Price Spectrum–Income/Price	—*	15.4	7.5	243	199	none	0.95
		T Rowe Price US Treasury Intermed/Price	—*	13.2	6.6	132	72	none	0.80a
A	D	Princor Government Securities Inc/Princor	10.7	14.5	7.3	149	83	5.00	*0.89*
C	D	Prudential GNMA Fund-A/Prudential	8.4	13.1	8.3	302	24	4.50	*1.11*
B	D	Prudential Government Plus-A/Prudential	9.1	14.3	7.4	2,708	-8	4.50	*0.86*
D	B	Prudential Govt Secs–Intermed/Prudential	8.4	12.5	7.9	289	-1	none	*0.84*
		Prudential Structured Mat-A/Prudential	—*	11.8	7.5	107	-5	3.25	*0.37a*
A	F	Prudential US Government-A/Prudential	8.6	14.8	6.9	158	-2	4.50	*1.03*
		Putnam Adjustable Rate US Govt-A/Putnam	—*	6.5	7.7	376	391	3.25	*1.36a*
		Putnam Diversified Income Trust/Putnam	—*	19.1	8.3	323	111	4.75	*1.51*
A	D	Putnam Federal Income/Putnam	9.2	13.5	8.0	686	-7	4.75	*1.05*
		Putnam High Inc Convert & Bond/closed-end	—*	31.1	11.2	108	18	NA	1.31
C	D	Putnam High Income Government/Putnam	7.8	8.2	7.0	4,425	-14	4.75	*0.97*
B	B	Putnam Income Fund/Putnam	10.4	15.9	8.9	587	25	4.75	*1.04*
		Putnam Intermediate Govt Income/closed-end	—*	13.8	7.4	592	6	NA	1.01
		Putnam Master Income Trust/closed-end	—*	19.8	9.2	482	8	NA	1.08
		Putnam Master Intermediate Inc/closed-end	—*	19.1	9.2	331	8	NA	1.08
		Putnam Premier Income Trust/closed-end	—*	19.7	9.0	1,184	8	NA	1.06
D	B	Putnam US Govt Income-A/Putnam	9.5	10.7	9.2	4,312	109	4.75	*1.03*
		Quest for Value–US Govt Income/Quest	—*	11.1	7.0	156	153	4.75	*1.15a*
		RAC Income Fund/closed-end	—*	14.5	11.0	130	14	NA	1.14
		Ranieri Adj Rate US Govt I/Hyperion	—*	7.8	7.9	432	741	3.00	*0.69a*
		St Clair Fixed Inc–Intermed Bond/Fairfield	—*	11.9	6.9	120	85	none	0.79a
B	C	Scudder GNMA Fund/Scudder	9.9	13.5	8.2	412	49	none	0.99
B	C	Scudder Income Fund/Scudder	10.0	14.4	6.7	432	33	none	0.97
C	C	Scudder Short Term Bond Fund/Scudder	9.2	10.0	8.6	2,500	241	none	0.44a
		Shearson Income–Divers Strategic/Shearson	—*	17.0	8.9	1,360	213	5.00b	*1.60*
C	C	Shearson Income–Mortgage/Shearson	9.0	13.3	7.1	495	-9	5.00b	*1.60*
B	D	Shearson Invest–Govt Secs/Shearson	8.3	13.6	7.1	1,115	-16	5.00b	*1.48*
A+	F	Shearson Invest–Inv Grade Bond/Shearson	10.2	19.0	7.4	416	7	5.00b	*1.54*
C	C	Shearson Managed Governments/Shearson	9.3	14.7	8.0	483	3	5.00	0.85
A	C	Smith Barney–US Government/Smith Barney	11.1	14.3	8.4	438	24	4.00	0.52
		Spartan Ginnie Mae/Fidelity	—*	13.5	7.8	810	214	none	0.09a
		Spartan Government Income/Fidelity	—*	13.7	7.5	508	18	none	0.65

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. ‡Distributor may impose purchase fee, with proceeds reverting to other fund shareholders.

Rules, page 122. Distributor table, page 194.

TAXABLE BOND FUNDS

FUND SURVEY

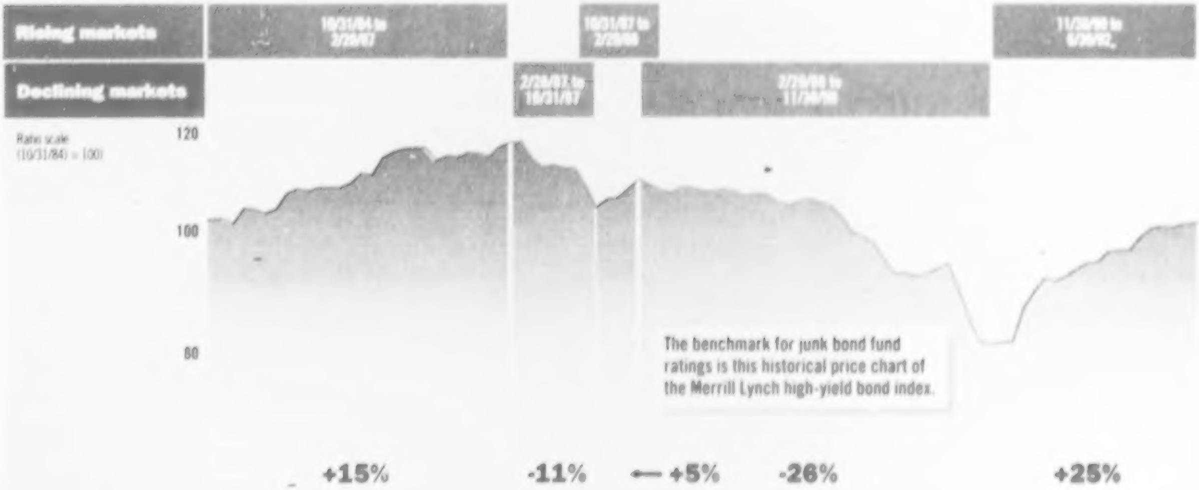
Performance		Fund/distributor	—Total return—		Yield	—Assets—		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 6/87 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Merrill Lynch corporate/govt bond index	10.2%	14.2%	7.9%				
		Forbes taxable bond fund composite	9.4%	14.2%	8.0%				$1.00
		Spartan Limited Maturity Govt/Fidelity	—*	9.5%	6.8%	$1,771	160%	none	$0.54a
D	B	SteinRoe Income Fund/Stein Roe	9.4%	15.3	8.0	113	20	none	0.88
B	C	SteinRoe Intermediate Bond/Stein Roe	9.5	14.0	7.7	243	32	none	0.70
		Strong Advantage Fund/Strong	—*	10.8	7.6	214	93	none	1.03
		Strong Short-Term Bond Fund/Strong	—*	13.3	8.3	470	468	none	1.00a
F	A+	SunAmerica Equity–US Govt Secs/SunAmerica	7.7	8.3	8.3	1,075	110	5.00%b	*1.90*
B	C	SunAmerica Federal Securities/SunAmerica	9.5	12.2	7.1	125	1	5.00b	*1.90*
C	B	TNE Bond Income Fund/TNE	9.7	15.5	7.4	131	41	4.50	*1.15*
A	D	TNE Government Securities/TNE	8.8	18.1	6.5	176	5	4.50	*1.21*
		TNE Premium Income[1]/TNE	—*	12.3	7.0	387	169	3.00	*1.25*
D	B	Thomson–Income-A/Thomson	6.9	13.3	9.6	238	-18	4.75	*1.15*
B	D	Thomson–US Government-A/Thomson	8.6	13.3	9.0	500	17	4.75	*1.05*
A	D	Transamerica Govt Securities/Transamerica	9.2	14.7	9.2	740	1	4.75	*1.21*
A	B	Transamerica Income Shares/closed-end	11.8	14.9	8.7	129	5	NA	0.68
B	D	Transamerica Inv Quality Bond/Transamerica	9.3	15.0	9.0	107	29	4.75	*1.35*
		Transamerica Spec Govt Income/Transamerica	—*	12.8	8.4	203	98	6.00b	*2.00*
A	D	20th Century Long-Term Bond/20th Century	8.0	16.0	6.7	140	64	none	0.98a
D	A	20th Century US Governments/20th Century	7.9	10.0	5.3	561	17	none	0.99a
		Tyler Cabot Mortgage Securities/closed-end	—*	11.7	11.3	326	-1	NA	1.06
C	C	United Bond Fund/Waddell	9.5	16.1	7.6	547	20	8.50	0.65
B	D	United Government Securities/Waddell	9.1	15.4	7.0	149	24	4.25	0.75
C	B	US Government Securities/American Funds	9.2	12.4	8.4	1,246	34	4.75	*0.95*
		USAA Investment–GNMA/USAA	—*	13.5	8.0	169	840	none	0.38a
A	C	USAA Mutual–Income Fund/USAA	11.4	15.8	7.5	1,204	84	none	0.44
B	D	UST Master Funds–Managed Income/UST	8.9	13.9	6.9	113	73	4.50	1.05
C	B	Value Line US Government Secs/Value Line	10.1	13.4	7.0	405	30	none	0.63
		Van Kampen Merritt Intermed Hi Inc/closed-end	—*	27.8	13.3	146	7	NA	2.51
		Van Kampen Merritt Ltd High Inc/closed-end	—*	28.4	11.3	114	8	NA	2.73
		Van Kampen Merritt Prime Rate[2]/closed-end	—*	7.4	7.1	958	-6	NA	1.63
B	C	Van Kampen Merritt US Govt/Van Kampen	10.3	13.7	8.8	3,452	5	4.90	*0.68*
B	C	Vanguard Bond Market Fund/Vanguard	10.0	13.4	7.5	921	65	—[3]	0.16
A	C	Vanguard Fixed Inc–GNMA/Vanguard	11.1	14.6	7.9	6,155	73	none	0.29
A+	D	Vanguard Fixed Inc–Invest Grade/Vanguard	11.1	18.0	8.0	2,329	60	none	0.31
A+	F	Vanguard Fixed Inc–L-T US Treas[4]/Vanguard	10.1	14.8	7.4	840	20	none	0.26
D	A	Vanguard Fixed Inc–Short-Term/Vanguard	9.5	11.9	7.0	2,336	104	none	0.26
		Vanguard Fixed Inc–S-T Federal/Vanguard	—*	11.1	6.6	1,387	109	none	0.26
B	C	Vanguard Preferred Stock Fund/Vanguard	10.2	17.1	7.9	169	160	none	0.56
C	B	WPG Government Securities Fund/Weiss	10.0	13.2	7.6	245	61	none	0.76
		Zenix Income Fund/closed-end	—*	25.9	13.3	105	11	NA	2.15
		Zweig Total Return/closed-end	—*	10.4	6.6	617	4	NA	1.11

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1] Formerly ITB Premium Income Fund. [2] Closed-end fund that acts like a money market. [3] Annual $10 maintenance fee. [4] Formerly Vanguard Fixed Income-US Treasury Fund.

Rules, page 122. Distributor table, page 194.

Junk bond funds

These funds invest in non investment grade corporate bonds (those rated BB+ or lower by Standard & Poor's and Ba1 or lower by Moody's). Since junk bonds perform more like stocks (their market value is more sensitive to corporate cash flow and future prospects than to movements in interest rates), we rate these bond funds with a system that is similar to one that we use for stock funds. The only difference is that the shorter history of junk bond funds forces us to analyze them over two and a half instead of three market cycles. Our benchmark for junk bond performance is the price history of the Merrill Lynch high yield index. Since October 1984 the Merrill Lynch index has had an average annual total return of 13.4%, while the average junk bond in this survey returned 5.3%.



The benchmark for junk bond fund ratings is this historical price chart of the Merrill Lynch high-yield bond index.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 10/84 to 6/92	Total return: Last 12 months	Yield	Assets: 6/30/92 ($mil)	Assets: % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Merrill Lynch high yield index	13.4%	24.3%	4.4%				
		Forbes junk bond fund composite	5.3%	27.1%	11.0%				$1.20
B	■ A	**AIM High Yield Fund[1]/AIM**	6.9%	27.8%	11.2%	$287	18%	5.00%	*$1.22*
■ C	■ F	**Alliance Bond–High Yield/Alliance**	—*	21.3	11.5	111	10	4.75	*1.61*
C	■ D	**American Capital High Yld Inv/American Cap**	3.5	30.3	11.5	422	32	4.75	*1.06a*
		American High-Income Trust/American Funds	—*	18.7	9.5	373	75	4.75	*1.00*
		Cigna High Income Shares/closed-end	—*	35.0	13.4	178	8	NA	1.24
B	■ C	**Colonial High Yield Securities-A/Colonial**	6.1	30.3	10.6	401	44	4.75	*1.36*
A+	■ F	**Dean Witter High Yield Secs/Dean Witter**	1.3	41.5	9.4	513	22	5.50	0.77
B	■ C	**Delaware Group Delchester[2]/Delaware**	5.9	25.2	11.4	736	22	4.75	*1.20*
■ B	■ B	**Eaton Vance High Income Trust/Eaton Vance**	—*	29.0	11.9	271	42	6.00b	*2.19*
A	■ C	**Federated High Yield Trust/Federated**	6.6	26.8	11.0	258	94	none	0.76a

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly Cigna High Yield Fund. [2]Formerly Delaware Group Delchester High Yield II.

Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 10/84 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Merrill Lynch high yield index	**13.4%**	**24.3%**	**4.4%**				
		Forbes junk bond fund composite	**5.3%**	**27.1%**	**11.0%**				**$1.20**
B	■ B	**Fidelity Capital & Income/Fidelity**	6.1%	32.8%	8.7%	$1,654	69%	none	$0.80
D	■ A	**Financial Bond Shs–High Yield/Invesco**	5.1	17.8	9.1	186	138	none	*1.05*
D	■ D	**First Investors Fund for Income/First Inv**	3.4	29.6	12.9	428	2	†	*1.18*
■ C	■ D	**First Investors High Yield Fund/First Inv**	—*	27.9	10.3	205	-5	†	*1.58*
B	■ D	**Franklin AGE High Income Fund/Franklin**	5.2	25.4	10.9	1,860	14	4.00%	0.58
		Franklin Universal Trust/closed-end	—*	38.8	9.8	306	63	NA	1.12
■ D	■ B	**John Hancock Strategic–Income/Hancock**	—*	17.3	10.0	165	103	4.50	*1.69*
		High Income Advantage Trust/closed-end	—*	29.7	9.7	176	13	NA	1.07
		High Income Advantage Trust II/closed-end	—*	31.2	10.2	229	13	NA	0.92
C	■ C	**IDS Extra Income Fund/IDS**	5.3	29.2	10.4	1,251	32	5.00	0.84
C	■ B	**Kemper Diversified Income Fund/Kemper**	6.0	28.7	10.7	255	21	4.50	1.16
		Kemper High Income Trust/closed-end	—*	30.5	11.3	193	19	NA	2.22
A	■ B	**Kemper High Yield Fund/Kemper**	6.9	26.3	11.0	1,925	23	4.50	0.83
B	■ D	**Kemper Invest–High Yield/Kemper**	5.4	25.8	10.3	927	26	3.00b	*1.93*
D	■ D	**Keystone Custodian B-4/Keystone**	2.5	32.4	11.2	828	25	4.00b	*2.23*
A	■ B	**Liberty High Income Bond/Federated**	7.2	29.2	11.1	358	32	4.50	1.02
D	■ A	**Lord Abbett Bond-Debenture/Lord Abbett**	6.2	24.7	10.3	650	19	4.75	*0.85*
		Lutheran Brotherhood High Yield/Lutheran	—*	26.1	10.8	263	58	5.00	1.16
■ B	■ B	**MainStay–High Yield Corp Bond/NYLife**	—*	27.8	11.1	410	72	5.00b	*1.80*
C	■ A	**Merrill Lynch Corp–High Income-A/ML Funds**	7.8	26.7	11.9	1,271	76	4.00	0.60
■ B	■ C	**MetLife-State Street High Income/State St**	—*	24.6	11.8	348	63	4.50	*1.25*
C	■ D	**MFS High Income Fund/MFS**	4.7	24.6	11.2	576	25	4.75	*1.20*
■ A	■ D	**MFS Lifetime High Income/MFS**	—*	23.9	10.3	248	51	6.00b	*2.37*
B	■ D	**National Bond Fund/National Secs**	4.4	38.6	12.9	513	44	4.75	*1.45*
F	■ A	**Oppenheimer High Yield Fund/Oppenheimer**	6.4	20.0	13.0	903	37	4.75	*0.91*
A	■ C	**PaineWebber High Income-A/PaineWebber**	5.8	30.6	13.1	329	48	4.00	*1.13*
D	■ A	**Phoenix High Yield Fund/Phoenix**	5.3	23.3	9.3	113	31	4.75	*1.18*
■ D	■ B	**T Rowe Price High Yield Fund/Price**	—*	20.1	10.3	1,240	54	none	0.97
C	■ C	**Prudential High Yield Fund-A/Prudential**	4.8	21.3	11.4	2,668	31	4.50	*0.88*
■ A	■ B	**Putnam High Yield Advantage[1]/Putnam**	—*	32.3	12.2	468	44	4.75	*1.33*
C	■ A	**Putnam High Yield Trust/Putnam**	6.7	29.5	12.3	2,313	33	4.75	*1.09*
D	■ C	**Shearson High Yield/Shearson**	4.7	26.7	11.2	234	19	5.00	0.95
■ C	■ C	**Shearson Income–High Income/Shearson**	—*	24.9	10.7	291	28	5.00b	*1.75*
		Spartan High Income/Fidelity	—*	28.2	11.3	407	256	none	0.70
C	■ D	**United High Income Fund/Waddell**	3.1	25.6	10.2	925	18	8.50	0.79
■ D	■ B	**United High Income Fund II/Waddell**	—*	21.2	10.1	330	21	8.50	0.84
■ C	■ C	**Van Kampen Merritt High Yield/Van Kampen**	—*	22.8	11.7	221	11	4.90	*1.51*
D	■ A	**Vanguard Fixed Inc–High Yield/Vanguard**	5.3	20.7	10.2	2,049	97	none	0.34

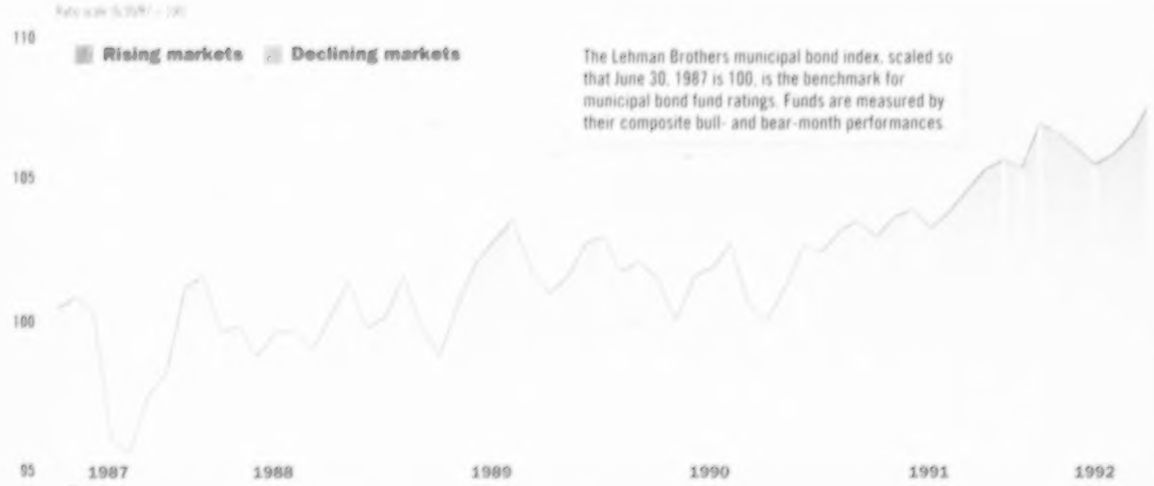
■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1] Formerly High Yield Trust II.

Rules, page 122. Distributor table, page 194.

Municipal bond funds

This table covers tax-exempt bond funds with at least $100 million in assets and a year of performance data. Our grading period is June 30, 1987 to June 30, 1992. Each month is pegged as bearish or bullish, according to the price performance of the Lehman Brothers municipal bond index. We calculate composite bull- and bear-market performances for each fund, and assign grades on a curve.

In periods of rising interest rates and declining bond prices, bonds with the shortest maturities do the best; when rates fall and prices rise, long-term bonds do the best. Thus, a short-term fund can be expected to get a D or F in up markets but an A or B in down markets. The reverse is true for long-term funds. Only a handful of funds have done well in both market environments.



The Lehman Brothers municipal bond index, scaled so that June 30, 1987 is 100, is the benchmark for municipal bond fund ratings. Funds are measured by their composite bull- and bear-month performances.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
		AAL Municipal Bond Fund/AAL	—*	11.3%	6.0%	$184	53%	4.75%	*$0.95a*
A	D	**AARP Insured T-F Inc-Genl Bond/Scudder**	9.5%	12.2	5.4	1,373	42	none	0.77
		ABT Southern Master-Florida T-F/ABT	—*	12.7	6.3	161	81	4.75	*0.41a*
A+	F	**AIM Municipal Bond Fund/AIM**	9.5	13.0	6.2	271	4	5.00	*0.94*
D	A	**Alliance Muni Income-Calif/Alliance**	9.5	11.5	6.5	306	55	4.50	*0.49a*
B	B	**Alliance Muni Income-Ins Natl/Alliance**	9.6	12.4	6.1	145	16	4.50	*0.92a*
B	A	**Alliance Muni Income-Natl/Alliance**	10.8	13.2	6.4	237	19	4.50	*0.75a*
C	B	**Alliance Muni Income-New York/Alliance**	9.6	13.2	6.4	154	20	4.50	*0.65a*
		Allstate Municipal Income/closed-end	—*	11.4	6.8	353	4	NA	0.72
		Allstate Municipal Income II/closed-end	—*	12.0	6.6	298	4	NA	0.86
		Allstate Municipal Inc Oppor/closed-end	—*	4.2	8.1	195	-3	NA	1.06
		Allstate Municipal Inc Oppor II/closed-end	—*	6.6	8.3	193	0	NA	1.06

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 6/87 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
		Allstate Municipal Inc Oppor III/closed-end	—*	8.3%	7.5%	$110	1%	NA	$1.14
		Allstate Municipal Premium Inc/closed-end	—*	15.8	7.1	393	6	NA	1.44
B	D	American Capital Muni Bond/American Cap	9.2%	12.2	6.3	285	13	4.75%	*0.89*
D	A+	American Capital T-E High Yld/American Cap	7.9	11.2	7.7	258	19	4.75	*1.06*
		American Municipal Term Trust/closed-end	—*	17.5	6.3	130	55	NA	0.56
A	F	Benham Calif Tax-Free–Insured/Benham	8.5	12.4	5.9	143	71	none	0.59
D	A	Benham Calif Tax-Free–Intermed/Benham	7.1	9.6	5.5	292	30	none	0.55
B	D	Benham Calif Tax-Free–L-T/Benham	8.5	11.8	6.1	278	23	none	0.55
		Bernstein Diversified Muni/Bernstein	—*	9.1	5.4	279	44	none	0.69
		Bernstein New York Muni/Bernstein	—*	9.5	5.6	222	24	none	0.69
D	A	California Tax-Free Income/California Inv	9.2	13.0	5.9	210	77	none	0.58a
F	A+	Calvert Tax-Free Reserves–Limited/Calvert	6.2	5.9	5.5	471	114	2.00	0.72
C	B	Churchill T-F Fund of Kentucky/Aquila	8.7	11.8	6.4	149	77	4.00	0.42a
D	B	Colonial California Tax-Exempt-A/Colonial	8.3	10.7	6.3	316	18	4.75	0.80a
		Colonial High Income Municipal/closed-end	—*	7.4	8.1	270	0	NA	0.97
		Colonial Investment Grade Muni/closed-end	—*	8.8	8.0	126	0	NA	0.87
C	D	Colonial Mass Tax-Exempt-A/Colonial	8.6	12.1	6.5	166	49	4.75	0.50a
F	A	Colonial Municipal Income Trust/closed-end	5.7	5.1	8.4	214	-2	NA	0.87
D	A	Colonial Tax-Exempt Fund-A/Colonial	8.3	11.1	6.9	2,755	23	4.75	*1.03*
C	B	Colonial Tax-Exempt Insured-A/Colonial	8.5	10.7	6.1	211	27	4.75	*1.08*
C	C	Columbia Municipal Bond Fund/Columbia	8.8	9.5	5.8	315	33	none	0.58
D	B	Composite Tax-Exempt Bond/Murphey	7.9	11.6	5.8	159	29	4.00	*0.77*
C	D	Dean Witter Calif Tax-Free Inc/Dean Witter	8.2	10.3	5.5	915	23	5.00b	*1.28*
B	D	Dean Witter NY Tax-Free Income/Dean Witter	8.3	12.4	5.6	196	18	5.00b	*1.32*
A	D	Dean Witter Tax-Exempt Secs/Dean Witter	9.5	12.3	6.7	1,220	15	4.00	0.51
B	C	Delaware Group Tax-Free USA/Delaware	9.4	12.9	6.4	694	6	4.75	*0.78*
C	C	DMC Tax-Free Pennsylvania/Delaware	8.9	11.9	6.4	809	16	4.75	*0.82*
D	B	Dreyfus California Tax-Ex Bond/Dreyfus	7.8	10.1	6.3	1,770	9	none	0.69
C	C	Dreyfus Insured Muni Bond/Dreyfus	8.4	11.5	6.0	254	14	none	*0.96*
D	A	Dreyfus Intermediate Muni Bond/Dreyfus	8.0	11.2	6.3	1,483	21	none	0.69
D	B	Dreyfus Massachusetts T-E Bond/Dreyfus	8.1	12.0	6.2	160	30	none	0.84
C	B	Dreyfus Municipal Bond/Dreyfus	8.9	11.4	6.5	4,348	14	none	0.68
		Dreyfus Municipal Income/closed-end	—*	11.9	7.1	193	5	NA	0.88
		Dreyfus NJ Municipal Bond/Dreyfus	—*	12.1	6.1	581	36	none	*0.75a*
B	D	Dreyfus NY Insured T-E Bond/Dreyfus	8.6	12.4	5.6	161	35	none	*0.88a*
D	B	Dreyfus NY Tax-Exempt Bond/Dreyfus	8.3	12.5	6.5	1,926	12	none	0.68
D	B	Dreyfus NY T-E Intermed Bond/Dreyfus	8.0	12.1	5.8	181	62	none	*0.85a*
F	A+	Dreyfus Short-Intermediate T-E/Dreyfus	6.6	8.4	5.4	231	184	none	*0.72a*

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Rules, page 122. Distributor table, page 194.

MUNICIPAL BOND FUNDS

FUND SURVEY

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 6/87 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Lehman Brothers municipal bond index	**9.3%**	**11.8%**	**6.8%**				
		Forbes municipal bond fund composite	**8.8%**	**12.0%**	**6.3%**				**$0.77**
		Dreyfus Strategic Municipal Bond/closed-end	—*	11.2%	7.2%	$425	6%	NA	$0.88
		Dreyfus Strategic Municipals/closed-end	—*	10.9	7.5	528	6	NA	0.88
		Dupree–Kentucky Tax-Free Income/Dupree	—*	10.9	6.2	169	48	none	0.75
D	D	Eaton Vance California Munis/Eaton Vance	7.0%	9.6	6.2	382	16	6.00%b	*1.87*
		Eaton Vance Florida Tax-Free/Eaton Vance	—*	13.4	6.2	325[1]	214	6.00b	*1.68a*
D	C	Eaton Vance National Munis/Eaton Vance	8.0	13.9	6.8	1,383	24	6.00b	*1.82*
		Eaton Vance NJ Tax-Free/Eaton Vance	—*	12.2	6.1	161[1]	617	6.00b	*1.68*
		Eaton Vance NY Tax-Free/Eaton Vance	—*	14.8	6.3	260[1]	341	6.00b	*1.70a*
		Eaton Vance Penn Tax-Free/Eaton Vance	—*	12.6	6.3	174[1]	661	6.00b	*1.70*
D	B	Federated Intermediate Municipal/Federated	7.3	10.1	5.6	178	48	none	0.47a
B	C	Federated Tax-Free Income Fund/Federated	9.3	12.0	5.9	659	24	4.50	0.84
		Fidelity Advisor High Inc Muni/Fidelity	—*	11.9	6.6	113	132	4.75	*0.90a*
C	C	Fidelity Calif Tax-Free Insured/Fidelity	9.0	12.6	5.8	198	68	none	0.66
C	B	Fidelity Calif Tax-Free High Yield/Fidelity	8.8	10.9	6.3	539	5	none	0.59
D	B	Fidelity Mass Tax-Free High Yield/Fidelity	8.9	11.1	6.3	1,165	45	none	0.58
C	B	Fidelity Mich Tax-Free High Yield/Fidelity	9.2	12.6	6.4	423	33	none	0.62
C	C	Fidelity Minnesota Tax-Free/Fidelity	8.6	9.2	6.3	258	37	none	0.72
C	B	Fidelity NY Tax-Free High Yield/Fidelity	9.0	12.6	6.2	425	12	none	0.61
C	B	Fidelity NY Tax-Free Insured/Fidelity	9.0	12.0	5.9	327	29	none	0.62
C	D	Fidelity Ohio Tax-Free High Yield/Fidelity	8.1	11.6	6.3	362	34	none	0.64
D	A	Fidelity Tax-Free–Aggressive/Fidelity	9.4	12.2	7.2	721	23	none	0.69
C	B	Fidelity Tax-Free–High Yield/Fidelity	9.4	10.3	6.5	2,072	12	none	0.56
B	C	Fidelity Tax-Free–Insured/Fidelity	9.0	11.4	6.0	338	39	none	0.65
D	A	Fidelity Tax-Free–Ltd Term Munis/Fidelity	7.9	10.4	6.2	819	56	none	0.68
B	C	Fidelity Tax-Free–Municipal Bond/Fidelity	9.2	12.0	6.1	1,199	11	none	0.50
A+	F	Financial Tax-Free Income Shs/Invesco	10.2	12.8	5.9	272	31	none	*1.03*
D	B	First Investors Insured Tax-Ex/First Inv	8.6	10.6	6.6	1,281	12	6.90	*1.21*
C	C	First Investors NY Insured T-F/First Inv	8.6	11.7	6.0	174	13	6.90	*1.31*
		Flagship Tax-Ex–All-American/Flagship	—*	14.2	6.6	135	57	4.20	*0.58a*
		Flagship Tax-Ex–Conn Double/Flagship	—*	11.7	6.2	145	40	4.20	*0.65*
		Flagship Tax-Ex–Florida Double/Flagship	—*	13.3	6.5	295	105	4.20	*0.45a*
A	D	Flagship Tax-Ex–Kentucky Triple/Flagship	9.8	12.0	6.3	215	48	4.20	*0.62*
		Flagship Tax-Ex–Limited Term/Flagship	—*	10.6	6.0	305	276	2.50	*0.56a*
A	D	Flagship Tax-Ex–Michigan Triple/Flagship	9.1	12.1	6.2	186	35	4.20	*0.81*
A	D	Flagship Tax-Ex–NC Triple/Flagship	9.0	11.6	6.0	135	25	4.20	*0.98*
A	D	Flagship Tax-Ex–Ohio Double/Flagship	9.1	12.0	6.2	334	24	4.20	*0.95*
		Flagship Tax-Ex–Tenn Double/Flagship	—*	11.5	6.1	133	41	4.20	*0.84*
D	A	Fortress Municipal Income/Federated	8.6	10.9	6.2	229	83	2.00b	*1.02a*

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Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/87 to 6/92	Total return: Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
		Franklin Alabama Tax-Free Income/Franklin	—*	11.2%	6.5%	$113	75%	4.00%	$0.68
		Franklin Arizona Tax-Free Income/Franklin	—*	10.9	6.4	617	27	4.00	0.56
B	C	Franklin Calif Insured T-F Income/Franklin	8.9%	10.4	6.3	968	105	4.00	0.53
D	A	Franklin Calif Tax-Free Income/Franklin	8.7	10.9	6.9	12,793	9	4.00	0.49
		Franklin Colo Tax-Free Income/Franklin	—*	11.3	6.4	124	49	4.00	0.68
		Franklin Conn Tax-Free Income/Franklin	—*	10.9	6.3	102	72	4.00	0.69
B	B	Franklin Federal Tax-Free Income/Franklin	9.6	12.3	7.1	5,446	22	4.00	0.51
		Franklin Florida Tax-Free Income/Franklin	—*	11.5	6.7	960	36	4.00	0.54
C	A	Franklin High Yield Tax-Free Income/Franklin	9.9	11.6	7.8	2,368	30	4.00	0.53
B	C	Franklin Insured Tax-Free Income/Franklin	9.4	11.0	6.5	1,275	40	4.00	0.53
B	C	Franklin Mass Insured T-F Income/Franklin	8.9	10.9	6.3	234	35	4.00	0.64
B	C	Franklin Mich Insured T-F Income/Franklin	9.2	11.1	6.4	743	32	4.00	0.59
C	C	Franklin Minn Insured T-F Income/Franklin	9.0	10.6	6.3	385	26	4.00	0.65
		Franklin Missouri Tax Free Income/Franklin	—*	11.3	6.3	127	67	4.00	0.66
		Franklin NJ Tax-Free Income/Franklin	—*	11.1	6.1	358	23	4.00	0.60
C	A	Franklin NY Tax-Free Income/Franklin	9.4	13.7	6.8	3,648	17	4.00	0.50
		Franklin NC Tax-Free Income/Franklin	—*	10.6	6.3	122	89	4.00	0.67
B	C	Franklin Ohio Insured T-F Income/Franklin	9.2	10.7	6.4	463	47	4.00	0.62
		Franklin Oregon Tax-Free Income/Franklin	—*	10.7	6.2	236	57	4.00	0.62
B	C	Franklin Penn Tax-Free Income/Franklin	9.2	12.2	6.6	426	27	4.00	0.59
C	C	Franklin PR Tax-Free Income/Franklin	8.8	10.8	6.2	120	13	4.00	0.69
		Franklin Texas Tax-Free Income/Franklin	—*	11.2	6.7	128	79	4.00	0.65
		Franklin Virginia Tax-Free Income/Franklin	—*	11.2	6.4	169	59	4.00	0.64
A+	D	Freedom Inv–Managed Tax-Ex-A/Hancock	9.7	11.5	5.8	231	29	4.50	*0.78*
		General Calif Municipal Bond/Dreyfus	—*	12.5	6.5	351	66	none	*0.21a*
A	C	General Municipal Bond/Dreyfus	10.4	14.4	6.9	927	122	none	*0.01a*
D	A	General NY Municipal Bond/Dreyfus	8.1	14.4	6.4	292	93	none	*0.55a*
		GW Sierra–Calif Muni Income/Gt Western	—*	10.5	6.2	307	52	4.50	*0.85*
		GW Sierra–Natl Municipal Income/Gt Western	—*	15.4	6.5	226	404	4.50	*0.74*
B	D	John Hancock Tax-Exempt Income/Hancock	8.9	12.2	5.9	459	16	4.50	*1.27*
D	A	Hawaiian Tax-Free Trust/Aquila	8.2	10.3	6.3	504	22	4.00	0.70
C	C	IDS California Tax-Exempt Fund/IDS	8.9	11.5	6.0	222	20	5.00	0.62
C	B	IDS High Yield Tax-Exempt Fund/IDS	9.1	12.1	6.9	5,797	17	5.00	0.60
B	C	IDS Insured Tax-Exempt Fund/IDS	9.2	12.3	5.9	308	58	5.00	0.67
C	B	IDS Minnesota Tax-Exempt Fund/IDS	8.8	11.1	6.3	314	34	5.00	0.63
B	D	IDS Tax-Exempt Bond Fund/IDS	8.6	11.1	5.8	1,267	11	5.00	0.65
B	D	Kemper California Tax-Free Inc/Kemper	8.8	11.5	6.1	1,160	27	4.50	0.64
		Kemper Florida Tax-Free Inc/Kemper	—*	6.8	6.4	105	327	4.50	0.67a

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Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 6/87 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Lehman Brothers municipal bond index	**9.3%**	**11.8%**	**6.8%**				
		Forbes municipal bond fund composite	**8.8%**	**12.0%**	**6.3%**				**$0.77**
A	D	Kemper Municipal Bond Fund/Kemper	9.2%	12.7%	6.1%	$2,936	27%	4.50%	$0.50
		Kemper Municipal Income Trust/closed-end	—*	15.2	7.0	456	8	NA	0.72
C	D	Kemper New York Tax-Free Fund/Kemper	8.2	12.9	6.1	281	30	4.50	0.66
		Kemper Strategic Municipal Inc/closed-end	—*	11.6	6.8	122	4	NA	0.77
D	B	Keystone America Tax-Free Inc/Keystone	7.8	11.0	6.0	130	-6	4.75	*1.21*
C	D	Keystone Tax-Exempt Trust/Keystone	8.5	11.2	6.1	693	16	4.00b	*1.91*
C	C	Keystone Tax-Free Fund/Keystone	8.5	11.5	6.4	1,174	10	†	*1.75*
C	B	Liberty Advantage Tax-Free Bond/Liberty	9.1	11.0	6.0	145	182	4.50	0.55a
F	A+	Limited Term Municipal–Natl/Thornburg	7.4	8.4	6.0	519	67	2.75	*1.06*
B	B	Lord Abbett Calif Tax-Free Inc/Lord Abbett	9.8	13.5	6.1	207	69	4.75	*0.75a*
B	C	Lord Abbett Tax-Free Inc–Natl/Lord Abbett	9.8	12.7	6.2	509	42	4.75	*0.86*
		Lord Abbett Tax-Free Inc–NJ/Lord Abbett	—*	13.0	6.6	105	156	4.75	*0.00a*
C	B	Lord Abbett Tax-Free Inc–NY/Lord Abbett	9.6	13.2	6.3	284	36	4.75	*0.74*
B	C	Lutheran Brotherhood Muni Bond/Lutheran	9.3	12.4	6.4	480	20	5.00	0.83
D	C	MainStay–Tax-Free Bond/NYLife	7.6	11.6	5.9	271	67	5.00b	*1.24*
C	C	Merrill Lynch Calif Muni Bond-A/ML Funds	8.3	10.9	6.1	754	6	4.00	0.64
		Merrill Lynch Fla Muni Bond-A/ML Funds	—*	11.8	6.5	187	113	4.00	0.48a
C	C	Merrill Lynch Muni–High Yield-A/ML Funds	9.1	13.1	6.7	1,564	6	4.00	0.55
B	C	Merrill Lynch Muni–Insured-A/ML Funds	9.2	12.1	6.3	2,769	10	4.00	0.45
F	A+	Merrill Lynch Muni–Ltd Maturity/ML Funds	6.1	6.9	5.1	613	75	0.75	0.40
D	C	Merrill Lynch Municipal Income-A/ML Funds	7.0	10.6	6.0	115	12	2.00	0.87
B	C	Merrill Lynch NY Muni Bond-A/ML Funds	8.6	13.5	6.2	608	9	4.00	0.67
B	D	MetLife-State Street Tax-Exempt/State St	9.0	12.7	5.6	153	62	4.50	*1.25a*
B	C	MFS California Municipal Bond/MFS	8.9	11.7	6.2	211	119	4.75	*0.40a*
D	A	MFS High Yield Muni Bond/MFS	7.6	10.2	8.3	679	7	†	1.03
D	B	MFS Lifetime Municipal Bond/MFS	8.2	10.6	5.5	429	10	6.00b	*2.04*
C	C	MFS M-S Muni Bond–Maryland/MFS	8.3	9.4	6.2	129	19	4.75	*1.16*
C	C	MFS M-S Muni Bond–Mass/MFS	8.3	10.9	6.5	256	16	4.75	*1.06*
		MFS M-S Muni Bond–New York/MFS	—*	12.4	6.2	101	100	4.75	*0.61a*
D	C	MFS M-S Muni Bond–North Carolina/MFS	8.0	9.5	6.0	348	32	4.75	*1.09*
C	C	MFS M-S Muni Bond–South Carolina/MFS	8.5	10.4	5.9	116	36	4.75	*1.15*
C	B	MFS M-S Muni Bond–Virginia/MFS	8.5	10.1	6.1	352	17	4.75	*1.08*
A	D	MFS Municipal Bond/MFS	9.3	13.2	6.1	1,875	19	4.75	0.58
D	A+	MFS Municipal Income Trust/closed-end	8.0	9.0	8.1	325	2	NA	1.28
		Municipal High Income Fund/closed-end	—*	10.0	7.5	178	5	NA	0.90
		MuniEnhanced Fund/closed-end	—*	16.7	7.2	494	6	NA	0.70
		MuniVest Fund/closed-end	—*	15.8	7.7	868	5	NA	0.65
A	D	Mutual of Omaha Tax-Free Inc/Mutual of Omaha	9.7	12.7	6.0	436	15	4.75	*0.87*

*Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
D	B	National Calif Tax-Exempt Bonds/National Secs	8.9%	10.6%	6.6%	$143	12%	4.75%	*$0.83*
B	C	National Securities T-E Bonds/National Secs	9.3	11.9	6.9	113	18	4.75	*0.87*
B	D	Nationwide Tax-Free Income[1]/Nationwide	8.4	11.6	5.7	155	44	5.00b	*0.97a*
A	F	New York Muni Fund/Fundamental	8.2	19.5	5.0	190	10	none	*1.72*
A	D	Nuveen Calif Insured T-F Value/Nuveen	9.5	12.7	5.8	120	60	4.75	0.64
		Nuveen Calif Invest Quality Muni/closed-end	—*	15.7	6.6	284	6	NA	0.76
		Nuveen Calif Muni Market Oppor/closed-end	—*	14.5	6.6	174	5	NA	0.82
		Nuveen Calif Muni Value/closed-end	—*	9.7	6.4	193	3	NA	0.79
		Nuveen Calif Performance Plus Muni/closed-end	—*	14.9	6.6	277	5	NA	0.78
		Nuveen Calif Select Quality Muni/closed-end	—*	12.7	6.0	480	55	NA	0.81
B	B	Nuveen Calif Tax-Free Value[2]/Nuveen	9.3	11.2	6.2	146	36	4.75	0.67
		Nuveen Florida Invest Quality Muni/closed-end	—*	14.0	6.6	347	5	NA	0.78
A	C	Nuveen Insured Muni Bond[3]/Nuveen	10.2	12.8	6.0	378	79	4.75	0.71
		Nuveen Insured Quality Municipal/closed-end	—*	15.6	6.8	823	6	NA	0.78
		Nuveen Invest Quality Muni/closed-end	—*	15.0	7.3	788	5	NA	0.74
		Nuveen Municipal Advantage Fund/closed-end	—*	15.3	7.2	931	5	NA	0.74
C	B	Nuveen Municipal Bond Fund/Nuveen	9.4	11.0	6.2	1,967	27	4.75	0.61
		Nuveen Municipal Market Oppor/closed-end	—*	15.2	7.2	983	5	NA	0.73
B	B	Nuveen Municipal Value Fund/closed-end	10.0	11.8	6.7	1,733	5	NA	0.73
		Nuveen NJ Invest Quality Muni/closed-end	—*	13.1	6.4	256	5	NA	0.80
B	C	Nuveen NY Insured T-F Value/Nuveen	9.3	12.9	5.9	215	112	4.75	0.68
		Nuveen NY Invest Quality Muni/closed-end	—*	16.8	6.7	380	7	NA	0.80
		Nuveen NY Muni Market Oppor/closed-end	—*	18.0	6.8	130	8	NA	0.84
		Nuveen NY Muni Value/closed-end	—*	13.3	6.4	122	6	NA	0.85
		Nuveen NY Performance Plus Muni/closed-end	—*	18.2	6.8	158	7	NA	0.80
		Nuveen NY Select Quality Muni/closed-end	—*	13.9	5.8	486	57	NA	0.83
A	D	Nuveen Ohio Tax-Free Value/Nuveen	9.8	12.2	6.1	102	44	4.75	0.72
		Nuveen Penn Invest Quality Muni/closed-end	—*	15.2	6.6	186	6	NA	0.83
		Nuveen Performance Plus Muni/closed-end	—*	15.0	6.9	1,265	6	NA	0.73
		Nuveen Premium Income Muni/closed-end	—*	13.8	7.1	1,178	5	NA	0.78
		Nuveen Quality Income Municipal/closed-end	—*	12.7	5.6	1,185	69	NA	0.78
		Nuveen Select Quality Municipal/closed-end	—*	15.2	6.7	735	6	NA	0.79
		Oppenheimer Calif Tax-Exempt/Oppenheimer	—*	11.0	6.0	175	55	4.75	*0.73a*
D	B	Oppenheimer New York Tax-Exempt/Oppenheimer	8.2	12.8	6.5	477	53	4.75	*0.97*
C	B	Oppenheimer Tax-Free Bond/Oppenheimer	8.8	12.2	6.4	440	41	4.75	*0.89*
		Overland Express Calif T-F Bond/Overland	—*	11.5	6.3	358	27	4.50	0.56a
D	B	Pacific Horizon–Calif T-E Bond/Pacific	8.3	11.6	5.8	159	37	4.50	*1.01a*
		Pacifica California Tax-Free Fund/Furman Selz	—*	10.4	5.5	189	54	4.50	*0.78a*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available. [1]Formerly Nationwide Tax-Free Fund. [2]Formerly Nuveen California Tax-Free Special Bond. [3]Formerly Nuveen Insured Tax-Free Bond National.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
C	B	PaineWebber California T-F Inc-A/PaineWebber	9.0%	10.5%	6.0%	$262	18%	4.00%	*$0.91*
B	D	PaineWebber National T-F Inc-A/PaineWebber	8.5	11.0	6.1	403	13	4.00	*0.91*
		Parkstone Michigan Muni Bond/Winsbury	—*	9.7	4.9	147	63	4.00	0.75a
		Parkstone Municipal Bond/Winsbury	—*	9.1	4.9	131	34	4.00	0.71a
		Pierpont Tax-Exempt Bond/TBC	—*	10.1	6.6	336	99	none	0.78a
		Piper Jaffray Minnesota Tax-Exempt/Piper	—*	11.3	6.0	120	56	4.00	*0.92*
B	B	Premier Calif Muni Bond/Dreyfus	9.8	11.9	6.3	219	11	4.50	*0.47a*
A	C	Premier Municipal Bond/Dreyfus	10.1	14.2	6.6	418	55	4.50	*0.54a*
B	C	Premier State Muni–Conn/Dreyfus	9.3	11.3	6.2	298	50	4.50	*0.52a*
A	C	Premier State Muni–Fla/Dreyfus	10.5	12.1	6.5	254	34	4.50	*0.52a*
B	C	Premier State Muni–Md/Dreyfus	9.7	12.1	6.2	271	42	4.50	*0.53a*
A	C	Premier State Muni–Mich/Dreyfus	10.1	12.9	6.3	152	27	4.50	*0.53a*
B	C	Premier State Muni–Minn/Dreyfus	9.7	11.4	6.4	127	35	4.50	*0.53a*
B	B	Premier State Muni–Ohio/Dreyfus	10.1	12.3	6.3	254	33	4.50	*0.52a*
		Premier State Muni–Penn/Dreyfus	—*	13.1	6.6	169	39	4.50	*0.56a*
C	D	T Rowe Price Calif T-F Income Bond/Price	8.2	12.4	5.8	120	31	none	0.65a
C	C	T Rowe Price Maryland T-F Bond/Price	8.5	11.5	5.8	558	53	none	0.63
D	A	T Rowe Price Tax-Free High Yield/Price	9.3	11.8	6.8	705	29	none	0.82
C	D	T Rowe Price Tax-Free Income Fund/Price	7.9	12.3	6.1	1,301	13	none	0.62
F	A	T Rowe Price T-F Short Intermed/Price	6.1	7.3	5.1	362	42	none	0.65
C	D	Prudential Calif Muni–Calif-A/Prudential	7.7	11.9	6.1	184	8	4.50	*0.84*
		Prudential Calif Muni–Income-A/Prudential	—*	11.8	7.0	126	116	4.50	*0.00a*
		Prudential Muni Bond–High Yield-A/Prudential	—*	11.8	7.1	686	-7	4.50	*0.87*
		Prudential Muni Bond–Insured-A/Prudential	—*	11.7	5.8	696	19	4.50	*0.88*
		Prudential Muni Ser–New Jersey-A/Prudential	—*	12.3	6.1	307	30	4.50	*0.44a*
C	C	Prudential Muni Ser–New York-A/Prudential	8.2	13.6	6.1	316	10	4.50	*0.74*
B	D	Prudential Muni Ser–Ohio-A/Prudential	7.9	11.8	6.1	101	10	4.50	*0.81*
B	F	Prudential Muni Ser–Penn-A/Prudential	8.3	12.8	5.9	204	22	4.50	*0.79*
B	D	Prudential Natl Municipals-A/Prudential	8.2	13.5	5.9	845	-1	4.50	*0.90*
B	B	Putnam Calif Tax-Exempt Income/Putnam	9.6	12.0	6.4	2,729	29	4.75	0.65
		Putnam Florida Tax-Exempt Income/Putnam	—*	12.6	6.7	196	80	4.75	1.05
		Putnam High Yield Municipal Trust/closed-end	—*	12.6	8.9	233	29	NA	1.13
		Putnam Investment Grade Muni/closed-end	—*	19.7	7.2	379	7	NA	1.46
		Putnam Managed Municipal Income/closed-end	—*	16.9	7.7	603	6	NA	1.33
		Putnam Mass Tax-Exempt Inc II/Putnam	—*	13.6	6.7	154	285	4.75	*1.29*
		Putnam Muni Income[1]/Putnam	—*	13.4	7.7	359	36	4.75	*1.21*
		Putnam New Jersey Tax-Exempt Inc/Putnam	—*	11.6	6.6	159	60	4.75	*1.21*
A	D	Putnam New York Tax-Exempt Income/Putnam	9.7	14.6	6.5	1,842	22	4.75	*0.94*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1] Formerly Putnam Tax-Free High Income Fund.

Rules, page 122. Distributor table, page 194.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/87 to 6/92	Total return Last 12 months	Yield	Assets 6/30/92 ($mil)	Assets % change 92 vs 91	Maximum sales charge	Annual expenses per $100
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
C	C	Putnam Ohio Tax-Exempt Income II[1]/Putnam	8.6%	10.5%	5.9%	$144	562%	4.75%	*$1.62*
		Putnam Penn Tax-Exempt Income/Putnam	—*	12.9	6.7	107	75	4.75	0.95
A+	D	Putnam Tax-Exempt Income/Putnam	10.0	14.9	6.6	1,741	23	4.75	*0.72*
D	A	Putnam Tax-Free Income–High Yld/Putnam	8.3	12.3	6.9	947	32	5.00b	*1.52*
C	C	Putnam Tax-Free Income–Insured/Putnam	8.6	11.3	5.2	444	26	5.00b	*1.84*
D	A+	Rochester Fund Municipals/Rochester	10.4	12.8	6.9	687	87	4.00	*0.90*
A+	D	Safeco Municipal Bond Fund/Safeco	9.9	13.3	6.2	473	32	none	0.54
A	D	Scudder Calif Tax-Free Fund/Scudder	9.5	13.5	5.7	258	20	none	0.81
A	D	Scudder High Yield Tax-Free/Scudder	9.7	13.2	5.7	178	26	none	1.00a
A	D	Scudder Managed Muni Bonds/Scudder	9.6	11.9	5.3	813	10	none	0.64
A+	F	Scudder Massachusetts Tax-Free/Scudder	9.0	22.9	6.2	156	109	none	0.48a
F	A+	Scudder Medium Term Tax-Free/Scudder	6.9	11.6	6.1	479	251	none	0.00a
A	D	Scudder New York Tax-Free/Scudder	9.3	15.1	5.8	171	19	none	0.87
		Seligman Select Municipal/closed-end	—*	15.2	6.9	233	5	NA	0.90
A	D	Seligman Tax-Exempt–Mass/Seligman	8.8	12.0	6.3	126	11	4.75	0.77
A	D	Seligman Tax-Exempt–Michigan/Seligman	9.2	11.9	5.9	141	14	4.75	0.77
C	D	Seligman Tax-Exempt–Minnesota/Seligman	8.2	8.5	6.2	156	–12	4.75	0.79
A+	F	Seligman Tax-Exempt–National/Seligman	9.0	11.3	6.0	133	–1	4.75	0.77
B	D	Seligman Tax-Exempt–Ohio/Seligman	9.1	11.5	6.0	168	13	4.75	0.76
C	B	Shearson Calif Municipals/Shearson	9.1	12.2	6.5	383	12	5.00	0.65
C	B	Shearson Income–Tax-Ex Income/Shearson	8.7	11.3	6.1	818	31	5.00b	*1.44*
B	C	Shearson Managed Municipals/Shearson	9.4	14.0	6.6	1,654	10	5.00	0.59
		Shearson NJ Municipals/Shearson	—*	12.6	6.2	100	36	5.00	0.67a
D	A	Shearson NY Municipals/Shearson	9.0	12.4	6.8	502	15	5.00	0.64
		Sit New Beginning T-F Income/Sit	—*	9.0	7.1	193	122	none	0.80a
B	C	Smith Barney Muni Bond–Calif/Smith Barney	9.3	12.1	6.1	137	34	4.00	0.38a
		Smith Barney Muni Bond–Ltd Term/Smith Barney	—*	9.1	6.3	191	108	2.00	0.49a
B	B	Smith Barney Muni Bond–Natl/Smith Barney	10.1	12.9	6.8	295	40	4.00	0.50a
		Spartan California Muni High Yield/Fidelity	—*	12.2	6.2	504	60	none	0.40a
		Spartan Conn Muni High Yield/Fidelity	—*	10.9	6.2	404	37	none	0.55a
		Spartan Municipal Income/Fidelity	—*	11.7	6.7	835	89	none	0.34a
		Spartan New Jersey Muni High Yield/Fidelity	—*	11.8	6.2	333	37	none	0.55
		Spartan New York Muni High Yield/Fidelity	—*	14.0	6.2	318	74	none	0.38a
A	D	Spartan Penn Muni High Yield/Fidelity	9.6	12.3	6.6	218	34	none	0.55
F	A	Spartan Short-Intermediate Muni/Fidelity	6.0	7.9	5.3	461	408	none	0.55a
D	A	SteinRoe High Yield Municipals/Stein Roe	9.5	9.0	6.8	411	10	none	0.69
D	A	SteinRoe Intermediate Munis/Stein Roe	7.5	10.3	5.2	165	39	none	0.79
B	B	SteinRoe Managed Municipals/Stein Roe	9.4	11.9	6.1	726	11	none	0.64

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[1] Reflects performance of Putnam Ohio Tax-Exempt Income I prior to 3/92 merger.

Rules, page 122. Distributor table, page 194.

Performance		Fund/distributor	Total return		Yield	Assets		Maximum sales charge	Annual expenses per $100
UP markets	DOWN markets		Annual average 6/87 to 6/92	Last 12 months		6/30/92 ($mil)	% change 92 vs 91		
		Lehman Brothers municipal bond index	9.3%	11.8%	6.8%				
		Forbes municipal bond fund composite	8.8%	12.0%	6.3%				$0.77
D	B	Strong Municipal Bond Fund/Strong	7.8%	16.7%	6.7%	$170	341%	none	$0.06a
D	A	SunAmerica Tax-Ex-Insured/SunAmerica	8.0	8.1	6.4	101	12	4.75%	*1.25*
		Taurus MuniNewYork Holdings/closed-end	—*	16.5	7.3	108	8	NA	0.83
C	C	Tax-Ex Bond Fund of America/American Funds	8.6	11.3	6.0	870	29	4.75	*0.72*
C	D	Tax-Ex Fund of California/American Funds	8.1	10.4	5.7	138	30	4.75	*0.85*
D	B	Tax-Free Fund of Colorado/Aquila	7.9	10.9	6.1	154	41	4.00	0.48a
C	B	Tax-Free Trust of Arizona/Aquila	9.0	11.4	6.3	238	36	4.00	0.58a
D	B	Tax-Free Trust of Oregon/Aquila	8.9	11.1	5.9	233	34	4.00	0.71
B	D	TNE Tax-Exempt Income/TNE	8.8	12.3	5.7	173	15	4.50	*0.95*
		Transamerica Calif Tax-Free Inc-A/Transamerica	—*	12.3	6.0	206	56	4.75	*0.40*
A+	F	United Municipal Bond Fund/Waddell	10.5	14.6	6.0	861	19	4.25	0.58
D	A	United Municipal High Income/Waddell	8.9	12.7	7.1	251	17	4.25	0.75
		USAA Tax-Exempt–Calif Bond/USAA	—*	11.2	6.2	330	48	none	0.48
B	C	USAA Tax-Exempt–High Yield/USAA	9.5	12.6	6.6	1,754	23	none	0.40
D	A	USAA Tax-Exempt–Intermediate/USAA	8.3	10.7	6.3	1,006	60	none	0.44
F	A+	USAA Tax-Exempt–Short-Term/USAA	6.4	7.4	5.4	737	54	none	0.48
		USAA Tax-Exempt–Virginia/USAA	—*	12.2	6.2	153	94	none	0.50a
D	A	UST Master Tax-Exempt–Intermed/UST	6.9	9.9	5.2	239	71	4.50	0.64
D	B	Value Line Tax-Exempt–High Yld/Value Line	8.6	12.3	6.1	298	6	none	0.58
C	C	Van Kampen Merritt Insured T-F/Van Kampen	9.2	11.5	6.1	905	20	4.90	*0.88*
		Van Kampen Merritt Muni Income/Van Kampen	—*	14.2	7.0	372	70	4.90	*0.59a*
		Van Kampen Merritt Muni Inc Trust/closed-end	—*	18.1	7.4	453	6	NA	1.44
B	B	Van Kampen Merritt Penn T-F Inc/Van Kampen	10.3	12.9	6.5	124	48	4.90	*0.70a*
		Van Kampen Merritt T-F High Inc/Van Kampen	—*	6.8	7.8	614	-1	4.90	*1.09*
A	F	Vanguard California T-F–Ins L-T/Vanguard	9.2	12.2	5.9	750	54	none	0.25
A+	D	Vanguard Muni Bond–High Yield/Vanguard	10.3	14.2	6.8	1,478	32	none	0.22
A	D	Vanguard Muni Bond–Ins L-T/Vanguard	9.9	13.2	6.4	1,903	32	none	0.22
C	B	Vanguard Muni Bond–Intermed/Vanguard	9.2	11.2	5.9	2,861	62	none	0.22
		Vanguard Muni Bond–Ltd Term/Vanguard	—*	8.5	5.2	776	113	none	0.22
A+	F	Vanguard Muni Bond–Long-Term/Vanguard	10.1	13.9	6.7	935	24	none	0.22
F	A+	Vanguard Muni Bond–S-T/Vanguard	6.1	6.2	4.8	966	21	none	0.22
		Vanguard NJ Tax-Free–Ins L-T/Vanguard	—*	11.8	6.0	527	53	none	0.26
A	D	Vanguard New York Insured T-F/Vanguard	9.2	13.6	6.1	515	67	none	0.27
A	D	Vanguard Penn Tax-Free–Ins L-T/Vanguard	9.5	12.7	6.1	1,012	50	none	0.26
D	A	Venture Muni (+) Plus/Venture	8.7	11.9	7.7	114	34	5.00b	*2.40*
D	B	Voyageur Colorado Tax-Free/Voyageur	8.9	11.1	6.2	145	101	3.90	0.82
D	A	Voyageur Minnesota Insured/Voyageur	8.2	11.5	6.2	118	166	4.75	*0.78a*
D	A	Voyageur Minnesota Tax-Free/Voyageur	8.5	10.9	6.9	287	31	4.75	*0.83a*

*Fund not in operation for full period. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. b: Includes back-end load that reverts to distributor. NA: Not applicable or not available.

Rules, page 122. Distributor table, page 194.

Taxable money funds

Remember the good old days when passbook savings accounts yielded about 5%? Today the average money market fund—which, to a large measure, has replaced the old-fashioned savings account—has an average 30-day return of only 3.6%. Don't blame the funds. Three-month U.S. Treasury bills now yield 3.2%. There's not much a smart money manager can do to boost the yield.

At a time when gross returns on money are down, it becomes all the more important to pay close attention to the one variable under the fund company's control, and that is the expense ratio. An expensive money market fund rakes off upwards of 1% a year in management fees and overhead costs. That's a third of what the government is paying for your money via the T bill.

Why not just compare funds on the basis of their net yields? Because some funds take slightly larger chances with your money. Although risk of principal loss is very small, it is present. Portfolio managers incur it by stretching out their maturities and by buying commercial bank or corporate paper that doesn't have the complete safety of a T bill. By doing so, they can boost their gross yields enough to overcome an excessive management fee.

Our recommendation: Pay a lot of attention to expenses and ignore the quoted yields. To make the accompanying list a fund had to have at least $500 million in assets and an expense ratio of 0.7% a year or less—that's 70 cents on every $100 invested.

The next thing to consider after expense ratios is convenience. Features such as checking privileges, money wiring, or credit card tie-ins may help determine your choice. Caution: Some funds charge separately for these services, and these à la carte fees aren't reflected in the published expense ratio.

Some of the more attractive expense ratios are on funds whose sponsors are temporarily absorbing a portion of their expenses (marked "a"). These funds could raise their expense rates on short notice.

Fund/distributor	Assets 6/30/92 ($mil)	30-day yield[1]	Annual expenses per $100
■ Benham Government Agency/Benham	$811	3.4%	$0.30
Alex Brown Cash Reserve–Prime/Brown	1,121	3.4	*0.62*
■ Capital Preservation Fund/Benham	3,108	3.3	0.52
Cash Mgmt Trust of America/American Funds	2,175	3.2	*0.61*
CoreFund–Cash Reserve/Fairfield	568	3.7	0.37a
Dean Witter/Sears Liquid Asset/Dean Witter	9,389	3.4	*0.66*
■ Dreyfus 100% US Treasury MM/Dreyfus	3,672	3.7	0.14a
Dreyfus Worldwide Dollar MM/Dreyfus	6,927	3.9	0.23a
Fidelity Cash Reserves/Fidelity	10,152	3.6	0.58
Fidelity Daily Income Trust/Fidelity	2,520	3.6	0.56
■ Fidelity US Treasury Inc/Fidelity	1,044	3.8	0.20a
Kemper Money Market–Govt Secs/Kemper	985	3.7	0.43
Kemper Money Market–MM/Kemper	5,728	3.5	0.48
Merrill Lynch Ready Assets/ML Funds	7,998	3.6	*0.62*
Pacific Horizon–Prime/Pacific	1,166	3.7	0.55
Pacific Horizon–Treasury/Pacific	1,914	3.4	0.56
PaineWebber Cashfund/PaineWebber	3,897	3.5	0.62
Parkstone Prime Obligations/Winsbury	691	3.5	0.63a
■ T Rowe Price US Treasury Money/Price	588	3.2	0.66
Prime Value–Altura Cash Inv/Forum	1,348	3.9	0.50
Prime Value–US Govt/Forum	578	3.6	0.45a
Prudential Govt Secs–MM/Prudential	1,091	3.5	*0.65*
Rodney Square–MM/Rodney Sq	756	3.6	*0.52*
Spartan Money Market/Fidelity	5,078	3.9	0.34
■ Spartan US Government MM/Fidelity	1,362	3.9	0.45a
■ Spartan US Treasury MM/Fidelity	2,469	3.7	0.20a
USAA Mutual–Money Market/USAA	932	3.8	0.49
UST Master Funds–Govt Money/UST	1,112	3.6	0.50
UST Master Funds–Money/UST	778	3.6	0.51
Vanguard MM Reserves–Federal/Vanguard	1,917	3.7	0.30
Vanguard MM Reserves–Prime/Vanguard	12,814	3.7	0.30
■ Vanguard MM Reserves–US Treas/Vanguard	2,238	3.6	0.30

■ Dividend exempt from state tax in states that permit flow-through of U.S. government interest. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 exceeding 0.1% pending or in force.* a: Net of absorption of expenses by fund sponsor. [1] As of 6/30/92.

Rules, page 122. Distributor table, page 194.

Tax-free money funds

Should you buy a taxable or a tax-free money market? For those in a lower bracket and a low- or no-tax state, the answer is to go with the taxable fund. For high-bracket investors, the answer is: Don't kill yourself to get into a tax-free fund. It may not make much difference to your bottom line.

Consider a high-bracket New York City resident. The latest one-month yield on the Fidelity U.S. Treasury fund—which is exempt from New York City and New York State taxes—is 3.8%. Assuming this rate holds for the year, after federal taxes at 32%, the net return would be 2.6%. Alternatively, he might have used the Fidelity Tax-Exempt Money Market. After local taxes at an 11.3% rate, but giving effect to the federal tax benefit for a deduction for local taxes, the tax-free fund's return would have been 2.6%.

If you decide from this illustration that a tax-free fund isn't worth the bother, consider getting a taxable money fund that is exempt from state and city income tax. In the table on the page opposite, the eight funds with square bullets in front of their names pay dividends that are exempt from state tax in every state except Pennsylvania, which refuses to exempt the dividends.

If you do choose to hold your short-term cash in a tax-free fund, follow the same rule of thumb that applies to taxable funds: The smartest thing to look for is a low expense ratio. To qualify for this list a tax-free money market fund had to have at least $100 million in assets and an expense ratio below 0.6%. The "a" next to the expense ratio is a warning that the sponsor is temporarily reducing the fees it charges and could raise them at any time.

Also watch out for transaction fees. For example, the six Fidelity Spartan Funds listed here, all of which are temporarily absorbing expenses, charge for services like checking. Such funds may be suitable for investment but not as a primary checking account. Another drawback: The Spartan funds also require at least a $20,000 minimum investment.

Fund/distributor	Assets 6/30/92 ($mil)	30-day yield[1]	Annual expenses per $100
AMEX Municipal MM/Shearson	$3,316	2.5%	$0.58
AMEX New York Municipal MM/Shearson	548	2.4	0.59
Benham Calif Tax-Free–MM/Benham	313	2.5	0.56
Benham Calif Tax-Free–Muni MM/Benham	256	3.0	0.00a
Dreyfus Connecticut Muni MM/Dreyfus	208	2.7	0.03a
Dreyfus NJ Muni MM/Dreyfus	799	2.6	0.17a
Dreyfus Penn Muni MM/Dreyfus	120	2.9	0.00a
Evergreen Tax Exempt MM/Lieber	414	3.1	0.32a
Federated Tax-Free Trust/Federated	1,703	2.6	0.46
Fidelity Connecticut Muni MM/Fidelity	371	2.4	0.30a
Fidelity Michigan Municipal MM/Fidelity	172	2.5	0.40a
Fidelity Ohio Municipal MM/Fidelity	253	2.8	0.55a
Fidelity Tax-Exempt MM/Fidelity	2,677	2.8	0.48
General Calif Municipal MM/Dreyfus	549	2.9	0.02a
General NY Municipal MM/Dreyfus	582	2.4	0.09a
Kemper Money Market–Tax-Exempt/Kemper	807	2.9	0.38
Nuveen Tax-Exempt MM/Nuveen	1,764	2.6	0.40
Parkstone Tax-Free Fund/Winsbury	142	2.4	0.54
Spartan Calif Municipal MM/Fidelity	929	3.0	0.25a
Spartan Mass Municipal MM/Fidelity	279	2.7	0.02a
Spartan Muni Money/Fidelity	1,220	3.2	0.20a
Spartan New Jersey Muni MM/Fidelity	341	2.9	0.24a
Spartan New York Municipal MM/Fidelity	468	2.6	0.37a
Spartan Pennsylvania Muni MM/Fidelity	251	2.7	0.40a
Tax-Free Instruments Trust/Federated	1,404	2.5	0.55a
USAA Tax-Exempt–Calif MM/USAA	220	2.9	0.50
USAA Tax-Exempt–Money Market/USAA	1,403	3.0	0.39
UST Master Tax-Exempt–Short-Term/UST	575	2.7	0.52
Vanguard California T-F–MM/Vanguard	782	2.9	0.25
Vanguard Muni Bond–MM/Vanguard	3,118	3.0	0.22
Vanguard NJ Tax-Free–MM/Vanguard	577	2.9	0.25
Vanguard Penn Tax-Free–MM/Vanguard	764	2.8	0.25

a: Net of absorption of expenses by fund sponsor. [1] As of 6/30/92.

Rules, page 122. Distributor table, page 194.

Fund distributors

Distributors of open-end funds—the funds that are constantly selling and redeeming their shares—are listed here. Call the fund's distributor to get a prospectus, application and, if you are a careful investor, the last annual report and the "statement of additional information." If the fund carries a sales load, a broker supposedly can supply the documents. If the fund is closed-end (e.g., Bergstrom Capital or the Mexico Fund), there is no distributor; you have to get information from a stockbroker.

Fund	Symbol
Balanced	BA
Foreign Stock	FS
Global Bond	GB
Global Stock	GS
Junk Bond	JU
Money Market	MM
Municipal Bond	MU
Stock	ST
Taxable Bond	BD

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Fund	Type
AAL Capital Management 222 West College Avenue Appleton, WI 54919-0007 (414) 734-7633 (local); (800) 553-6319	
AAL Bond Fund	BD
AAL Capital Growth Fund	ST
AAL Municipal Bond Fund	MU
ABT Financial Services 205 Royal Palm Way Palm Beach, FL 33480 (800) 289-2281	
ABT Growth & Income Trust	ST
ABT Invest–Emerging Growth	ST
ABT Southern Master–Fla T-F	MU
ABT Utility Income Fund	ST
Acorn Fund Two North LaSalle Street Suite 500 Chicago, IL 60602-3790 (800) 922-6769	
Acorn Fund	ST

Fund	Type
Addison Capital Fund 1601 Market Street Philadelphia, PA 19103 (800) 526-6397	
Addison Capital Fund	ST
Advest Group 280 Trumbull Street Hartford, CT 06103 (203) 525-1421 (local); (800) 243-8115	
Advantage Government Securities	BD
Advantage Growth Fund	ST
Advantage Income Fund	BA
Scottish Widows Intl Fund	FS
Aegon Management 201 Highland Avenue Largo, FL 34640 (800) 624-4339	
Aegon USA Growth	ST
IDEX Fund	ST
IDEX II	ST
IDEX Fund 3	ST

Fund	Type
AIM Distributors Eleven Greenway Plaza Suite 1919 Houston, TX 77046 (713) 626-1919 (local); (800) 347-1919	
AIM Equity–Charter Fund	ST
AIM Equity–Constellation Fund	ST
AIM Equity–Weingarten Fund	ST
AIM Government Securities Fund	BD
AIM Growth Fund	ST
AIM High Yield Fund	JU
AIM Income Fund	BD
AIM Limited Maturity Treasury Shs	BD
AIM Municipal Bond Fund	MU
AIM Summit Fund	ST
AIM Utilities Fund	ST
AIM Value Fund	ST
Fred Alger & Co 30 Montgomery Street Jersey City, NJ 07302 (800) 992-3863	
Alger Fund–Small Capitalization	ST

*Will accept collect calls.

Alliance Fund Services
500 Plaza Drive
Secaucus, NJ 07094
(800) 227-4618

Fund	Type
Alliance Balanced Shares-A	BA
Alliance Bond–High Yield	JU
Alliance Bond–US Government-A	BD
Alliance Counterpoint Fund	ST
Alliance Fund-A	ST
Alliance Global–Small Cap Fund-A	ST
Alliance Growth & Income-A	ST
Alliance International Fund-A	FS
Alliance Mortgage Secs Income-A	BD
Alliance Multi-Market Income	GB
Alliance Multi-Market Strategy-A	GB
Alliance Muni Income–Calif	MU
Alliance Muni Income–Ins Natl	MU
Alliance Muni Income–National	MU
Alliance Muni Income–New York	MU
Alliance New Europe Fund-A	FS
Alliance Quasar Fund-A	ST
Alliance Short-Term Multi-Market	GB
Alliance Technology Fund	ST
Alliance World Income Trust	GB

American Capital Marketing
2800 Post Oak Boulevard
Houston, TX 77056
(713) 993-0500 (local); (800) 421-5666

Fund	Type
American Capital Comstock Fund	ST
American Capital Corp Bond Fund	BD
American Capital Emerging Growth-A	ST
American Capital Enterprise Fund-A	ST
American Capital Equity Income-A	BA
American Capital Federal Mortgage-A	BD
American Capital Government Secs-A	BD
American Capital Growth & Income	ST
American Capital Harbor Fund-A	BA
American Capital High Yield Inv	JU
American Capital Muni Bond Fund	MU
American Capital Pace Fund-A	ST
American Capital T-E–High Yield	MU

American Funds Group
333 South Hope Street
Los Angeles, CA 90071
(800) 421-0180

Fund	Type
Amcap Fund	ST
American Balanced Fund	BA
American High-Income Trust	JU
American Mutual Fund	ST
Bond Fund of America	BD
Capital Income Builder	ST
Capital World Bond Fund	GB
Cash Management Trust of America	MM
EuroPacific Growth Fund	FS
Fundamental Investors	ST
Growth Fund of America	ST
Income Fund of America	BA
Intermediate Bond Fund of America	BD
Investment Co of America	ST
New Economy Fund	ST
New Perspective Fund	GS
Smallcap World Fund	GS
Tax-Exempt Bond Fund of America	MU
Tax-Exempt Fund of California	MU
US Government Securities	BD
Washington Mutual Investors	ST

American Growth Fund Sponsors
410 17th Street
Suite 800
Denver, CO 80202
(303) 623-6137* (local); (800) 525-2406

Fund	Type
American Growth Fund	ST

American Heritage Corp
31 West 52nd Street
New York, NY 10019
(800) 735-1243

Fund	Type
American Heritage Fund	ST

American Investors
PO Box 2500
Greenwich, CT 06836
(203) 531-5000 (local); (800) 243-5353

Fund	Type
American Investors Growth Fund	ST

American Pension Distributors
PO Box 2529
Lynchburg, VA 24501
(800) 544-6060

Fund	Type
API Trust–Growth	ST

Amway Management Co
7575 East Fulton Road
Ada, MI 49355
(800) 346-2670

Fund	Type
Amway Mutual Fund	ST

Analytic Optioned Equity Fund
2222 Martin Street
Suite 230
Irvine, CA 92715*
(800) 374-2633

Fund	Type
Analytic Optioned Equity Fund	ST

Aquila Distributors
380 Madison Avenue
Suite 2300
New York, NY 10017
(800) 228-4227

Fund	Type
Churchill Tax-Free Fund of Kentucky	MU
Hawaiian Tax-Free Trust	MU
Tax-Free Fund of Colorado	MU
Tax-Free Trust of Arizona	MU
Tax-Free Trust of Oregon	MU

Bailard, Biehl & Kaiser
2755 Campus Drive
Suite 300
San Mateo, CA 94403
(800) 882-8383

Fund	Type
Bailard Biehl & Kaiser Diversa Fund	GS

Robert W Baird & Co
777 East Wisconsin Avenue
Milwaukee, WI 53202
(414) 765-3500 (local); (800) 792-2473

Fund	Type
Baird Blue Chip Fund	ST
Baird Capital Development Fund	ST

Baron Asset Fund
450 Park Avenue
Suite 2802
New York, NY 10022
(800) 992-2766

Fund	Type
Baron Asset Fund	ST

Bartlett Capital Trust
36 East Fourth Street
Cincinnati, OH 45202
(513) 621-4612 (local); (800) 800-4612

Fund	Type
Bartlett Capital Trust–Basic Value	ST
Bartlett Capital Trust–Fixed Income	BD
Bartlett Capital Trust–Value Intl	FS

Baxter Financial
1200 North Federal Highway
Suite 424
Boca Raton, FL 33432
(800) 749-9933

Fund	Type
Philadelphia Fund	ST

Benham Capital Management
1665 Charleston Road
Mountain View, CA 94043
(800) 472-3389 (local); (800) 321-8321

Fund	Type
Benham Calif Tax-Free–Insured	MU
Benham Calif Tax-Free–Intermediate	MU
Benham Calif Tax-Free–Long-Term	MU
Benham Calif Tax-Free–MM	MM
Benham Calif Tax-Free–Muni MM	MM
Benham Equity Growth	ST
Benham GNMA Income	BD
Benham Gold Equities Index	GS
Benham Government Agency Fund	MM
Benham Income & Growth	ST
Benham Target Maturities–2000	BD
Benham Target Maturities–2005	BD
Benham Target Maturities–2015	BD
Benham Treasury Note Fund	BD
Capital Preservation Fund	MM

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FOR FURTHER INFORMATION AND A COLOR CATALOG, PLEASE CONTACT JAEGER-LECOULTRE AT 1-800-JLC-TIME OR P.O. BOX 1608, WINCHESTER, VA 22604

Fund	Type
Berger Associates 210 University Boulevard Suite 900 Denver, CO 80206 (800) 333-1001	
Berger One Hundred Fund	ST
Berger One Hundred and One Fund	ST
Sanford C Bernstein & Co 767 Fifth Avenue New York, NY 10153-0185 (212) 756-4097*	
Bernstein Diversified Muni	MU
Bernstein Govt Short Duration	BD
Bernstein Intermediate Duration	BD
Bernstein New York Muni	MU
Bernstein Short Duration Plus	BD
Berwyn Fund 1189 Lancaster Avenue Berwyn, PA 19312 (800) 824-2249	
Berwyn Fund	ST
William Blair 135 South LaSalle Street Chicago, IL 60603 (800) 742-7272 (local); (800) 635-2886	
Wm Blair–Growth	ST
Wm Blair–Income	BD
Boston Co Funds Distributor One Boston Place Boston, MA 02108 (800) 225-5267	
Boston Co Asset Allocation	BA
Boston Co Capital Appreciation Fund	ST
Boston Co Special Growth Fund	ST
Brandywine Fund c/o First Wisconsin Trust Co PO Box 701 Milwaukee, WI 53201-0701 (800) 338-1579	
Brandywine Fund	ST
Alex Brown & Sons 135 East Baltimore Street Baltimore, MD 21202 (800) 767-3524	
Alex Brown Cash Reserve–Prime	MM
Flag Investors Emerging Growth	ST
Flag Investors International Trust	FS
Flag Investors Quality Growth Fund	ST
Flag Investors Telephone Income	ST
Flag Investors Total Return US Treas	BD

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Fund	Type
Bull & Bear Group 11 Hanover Square New York, NY 10005 (800) 847-4200	
Bull & Bear Gold Investors Fund	GS
Bull & Bear Special Equities Fund	ST
Burnham Securities 1345 Avenue of the Americas 32nd Floor New York, NY 10105 (800) 874-3863	
Burnham Fund	ST
California Investment Trust 44 Montgomery Street Suite 2200 San Francisco, CA 94104 (800) 225-8778	
California Tax-Free Income Fund	MU
Calvert Group 4550 Montgomery Avenue Suite 1000 North Bethesda, MD 20814 (800) 368-2748	
Calvert-Ariel Appreciation Fund	ST
Calvert-Ariel Growth Fund	ST
Calvert Social Inv–Equity	ST
Calvert Social Inv–Managed Growth	BA
Calvert Tax-Free Reserves–Limited	MU
Capstone Asset Planning Co PO Box 3167 Houston, TX 77253-3167 (800) 262-6631	
Capstone Government Income Fund	BD
US Trend Fund	ST
Cardinal Group of Funds 155 East Bruad Street Columbus, OH 43215 (800) 282-9446 (local); (800) 848-7734	
Cardinal Fund	ST
Cardinal Government Obligations	BD
Carillon Investments PO Box 5304 Cincinnati, OH 45201 (800) 999-1840	
Carillon Inv Trust–Capital Fund	BA
Century Shares Trust One Liberty Square Boston, MA 02109 (617) 482-3060* (local); (800) 321-1928	
Century Shares Trust	ST
Colonial Investment Services One Financial Center 14th Floor Boston, MA 02111 (800) 426-3750	
Colonial California Tax-Exempt-A	MU
Colonial Federal Securities-A	BD
Colonial Fund-A	BA
Colonial Growth Shares Trust-A	ST
Colonial High Yield Securities-A	JU
Colonial Income Fund-A	BD
Colonial Mass Tax-Exempt-A	MU
Colonial Natural Resources Fund-A	GS
Colonial Strategic Income-A	BA
Colonial Tax-Exempt Fund-A	MU
Colonial Tax-Exempt Insured Fund-A	MU
Colonial US Equity Index-A	ST
Colonial US Government Fund-A	BD
Colonial Utilities Fund-A	BA
Columbia Funds Management Co PO Box 1350 Portland, OR 97207-1350 (503) 222-3600 (local); (800) 547-1707	
Columbia Fixed Income Securities	BD
Columbia Growth Fund	ST
Columbia Municipal Bond Fund	MU
Columbia Special Fund	ST
Common Sense Distributors 3120 Breckinridge Boulevard Building 400 Duluth, GA 30199-0001 (800) 544-5445	
Common Sense–Government	BD
Common Sense–Growth	ST
Common Sense–Growth & Income	ST
Comstock Partners Strategy Fund 45 Broadway New York, NY 10006 (212) 943-9100 (local); (800) 334-6899	
Comstock Partners Strategy Fund	BD
Copley Financial Services Corp PO Box 3287 Fall River, MA 02722 (508) 674-8459*	
Copley Fund	ST
Counsellors Securities 466 Lexington Avenue New York, NY 10017-3147 (800) 888-6878	
Counsellors Capital Appreciation	ST
Counsellors Emerging Growth Fund	ST
Counsellors Intermed Maturity Govt	BD
Counsellors International Equity	FS
Country Capital Management Co 1711 GE Road Bloomington, IL 61704 (309) 557-3092 (local); (800) 322-3838	
Country Capital Growth Fund	ST
Cowen & Co 1 Financial Square New York, NY 10005 (212) 495-6000 (local); (800) 221-5616	
Cowen Income + Growth Fund	ST
Craig-Hallum 701 Fourth Avenue South 10th Floor Minneapolis, MN 55415 (800) 331-4923	
General Securities	ST
Dean Witter Reynolds Two World Trade Center InterCapital Division, 71st Floor New York, NY 10048 (800) 869-3863	
Allstate Prime Income Trust	BD
Dean Witter American Value Fund	ST
Dean Witter Calif Tax-Free Income	MU
Dean Witter Capital Growth Secs	ST
Dean Witter Convertible Secs	BA
Dean Witter Developing Growth Secs	ST
Dean Witter Dividend Growth Secs	ST
Dean Witter Equity Income Trust	ST
Dean Witter European Growth Fund	FS
Dean Witter Global S-T Income	GB
Dean Witter Government Secs Plus	BD
Dean Witter High Yield Secs	JU
Dean Witter Intermediate Income	BD
Dean Witter Managed Assets	BA
Dean Witter Natural Resource Devel	ST
Dean Witter NY Tax-Free Income	MU
Dean Witter Pacific Growth Fund	FS
Dean Witter Sears/Liquid Asset	MM
Dean Witter Strategist	BA
Dean Witter Tax-Exempt Securities	MU
Dean Witter US Govt Securities	BD
Dean Witter Utilities Fund	ST
Dean Witter Value-Added Mkt–Equity	ST
Dean Witter World Wide Income	GB
Dean Witter World Wide Investment	GS

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Delaware Distributors
1818 Market Street
Philadelphia, PA 19103-3682
(800) 523-4640

Fund	Type
Delaware Group Decatur Fund I	ST
Delaware Group Decatur Fund II	ST
Delaware Group Delaware Fund	BA
Delaware Group Delcap Fund I	ST
Delaware Group Delchester Fund	JU
Delaware Group Tax-Free USA	MU
Delaware Group Treas Res Intermed	BD
Delaware Group Trend Fund	ST
Delaware Group US Government	BD
Delaware Group Value Fund	ST
DMC Tax-Free Pennsylvania Fund	MU

Diversified Securities
PO Box 357
Long Beach, CA 90801
(800) 732-1733

Fund	Type
Investors Research Fund	ST

Dodge & Cox
One Sansome Street
35th Floor
San Francisco, CA 94104
(415) 434-0311

Fund	Type
Dodge & Cox Balanced Fund	BA
Dodge & Cox Income Fund	BD
Dodge & Cox Stock Fund	ST

Dreyfus Service Corp
144 Glenn Curtiss Boulevard
Uniondale, NY 11556-0144
(800) 645-6561

Fund	Type
Dreyfus A Bonds Plus	BD
Dreyfus Appreciation Fund	ST
Dreyfus California Tax-Exempt Bond	MU
Dreyfus Capital Growth	ST
Dreyfus Capital Value Fund	ST
Dreyfus Connecticut Municipal MM	MM
Dreyfus Convertible Securities Fund	BA
Dreyfus Fund	ST
Dreyfus GNMA Fund	BD
Dreyfus Growth Opportunity Fund	ST
Dreyfus Insured Municipal Bond	MU
Dreyfus Intermediate Muni Bond	MU
Dreyfus Massachusetts Tax-Ex Bond	MU
Dreyfus Municipal Bond Fund	MU
Dreyfus New Jersey Municipal Bond	MU
Dreyfus New Jersey Municipal MM	MM
Dreyfus New Leaders Fund	ST
Dreyfus NY Insured Tax-Exempt Bond	MU
Dreyfus NY Tax-Exempt Bond Fund	MU
Dreyfus NY Tax-Exempt Intermed Bond	MU
Dreyfus 100% US Treasury Intermed	BD
Dreyfus 100% US Treasury Long Term	BD
Dreyfus 100% US Treasury MM	MM
Dreyfus Penn Municipal MM	MM
Dreyfus Short-Intermediate Govt	BD
Dreyfus Short-Intermediate Tax-Ex	MU
Dreyfus Strategic Growth LP	ST
Dreyfus Strategic Investing	ST
Dreyfus Strategic World Investing	GS
Dreyfus Third Century Fund	ST
Dreyfus Worldwide Dollar MM	MM
General Calif Municipal Bond	MU
General Calif Municipal MM	MM
General Municipal Bond	MU
General NY Municipal Bond	MU
General NY Municipal MM	MM
Peoples Index Fund	ST
Peoples S&P MidCap Index Fund	ST
Premier California Municipal Bond	MU
Premier GNMA	BD
Premier Municipal Bond	MU
Premier State Municipal–Conn	MU
Premier State Municipal–Florida	MU
Premier State Municipal–Maryland	MU
Premier State Municipal–Michigan	MU
Premier State Municipal–Minnesota	MU
Premier State Municipal–Ohio	MU
Premier State Municipal–Penn	MU

Dupree Investment Advisors
PO Box 1149
Lexington, KY 40589
(606) 254-7741 (local); (800) 866-0614

Fund	Type
Dupree–Kentucky Tax-Free Income	MU

Eaton Vance Distributors
24 Federal Street
Boston, MA 02110
(800) 225-6265

Fund	Type
Eaton Vance California Municipals	MU
Eaton Vance Equity-Income Trust	ST
Eaton Vance Florida Tax-Free Fund	MU
Eaton Vance Government Obligations	BD
Eaton Vance Growth Fund	ST
Eaton Vance High Income Trust	JU
Eaton Vance Investors Fund	BA
Eaton Vance National Municipals	MU
Eaton Vance New Jersey Tax-Free	MU
Eaton Vance New York Tax-Free	MU
Eaton Vance Penn Tax-Free	MU
Eaton Vance Prime Rate Reserves	BD
Eaton Vance Short-Term Global Fund	GB
Eaton Vance Short-Term Treasury	BD
Eaton Vance Special Equities Fund	ST
Eaton Vance Stock Fund	ST
Eaton Vance Total Return Trust	ST

Eclipse Financial Services
PO Box 2196
Peachtree City, GA 30269
(404) 631-0414* (local); (800) 872-2710

Fund	Type
Eclipse Financial Asset–Equity	ST

Enterprise Group
1200 Ashwood Parkway
Suite 290
Atlanta, GA 30338
(404) 396-8118* (local); (800) 432-4320

Fund	Type
Enterprise Group–Capital Apprec	ST
Enterprise Group–Growth	ST
Enterprise Group–Growth & Income	ST

Equitable Funds
1221 Avenue of the Americas
32nd Floor
New York, NY 10020
(800) 852-6860

Fund	Type
Equitable Funds–Balanced Fund-A	BA
Equitable Funds–Growth-A	ST
Equitable Funds–Growth & Income-A	ST
Equitable Funds–S-T World Income-A	GB

Equity Services
National Life Drive
Montpelier, VT 05604
(800) 282-3863 (local); (800) 233-4332

Fund	Type
Sentinel Balanced Fund	BA
Sentinel Common Stock Fund	ST
Sentinel Growth Fund	ST

Fairfield Group
200 Gibraltar Road
Horsham, PA 19044
(800) 441-3885

Fund	Type
CoreFund–Cash Reserve	MM
CoreFund–International Growth	FS
St Clair Equity–Capital Growth Fund	ST
St Clair Fixed Inc–Intermed Bond	BD

FBL Investment Advisory Services
5400 University Avenue
West Des Moines, IA 50265
(515) 225-5400 (local); (800) 247-4170

Fund	Type
FBL–Growth Common Stock	ST

Federated Securities Corp
1001 Liberty Avenue
20th Floor
Pittsburgh, PA 15222-3779
(800) 245-5000

Fund	Type
American Leaders Fund	ST
Convertible Securities & Income	BA
Federated Growth Trust	ST
Federated High Yield Trust	JU
Federated Intermediate Municipal	MU
Federated Stock & Bond Fund	BA
Federated Stock Trust	ST

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Fund	Type
Federated Tax-Free Income Fund	MU
Federated Tax-Free Trust	MM
Fortress Municipal Income Fund	MU
Fortress Utility Fund	ST
Fund for US Govt Securities	BD
Government Income Securities	BD
International Equity Fund	FS
Liberty High Income Bond Fund	JU
Liberty Utility Fund	ST
Salem Funds–Value-Investment	ST
Tax-Free Instruments Trust	MM
Tower–Capital Appreciation	ST
Fidelity Distributors Corp Devonshire Street Boston, MA 02109 (800) 544-8888	
Fidelity Advisor Equity–Growth	ST
Fidelity Advisor Equity–Income	ST
Fidelity Advisor Growth Opportunities	ST
Fidelity Advisor High Income Muni	MU
Fidelity Advisor Income & Growth	BA
Fidelity Advisor Limited Term Bond	BD
Fidelity Advisor US Government Inc	BD
Fidelity Asset Manager	BA
Fidelity Balanced Fund	BA
Fidelity Blue Chip Growth Fund	ST
Fidelity Calif Tax-Free Insured	MU
Fidelity Calif Tax-Free High Yield	MU
Fidelity Capital & Income Fund	JU
Fidelity Capital Appreciation	ST
Fidelity Cash Reserves	MM
Fidelity Connecticut Muni MM	MM
Fidelity Contrafund	ST
Fidelity Convertible Securities Fund	BA
Fidelity Daily Income Trust	MM
Fidelity Destiny Portfolio I	ST
Fidelity Destiny Portfolio II	ST
Fidelity Disciplined Equity	ST
Fidelity Emerging Growth Fund	ST
Fidelity Equity-Income Fund	ST
Fidelity Equity-Income Fund II	ST
Fidelity Europe Fund	FS
Fidelity Fund	ST
Fidelity Ginnie Mae	BD
Fidelity Global Bond Fund	GB
Fidelity Government Securities Fund	BD
Fidelity Growth & Income	ST
Fidelity Growth Company	ST
Fidelity Intermediate Bond Fund	BD
Fidelity Intl Growth & Income	FS
Fidelity Investment Grade Bond	BD
Fidelity Low-Priced Stock Fund	ST
Fidelity Magellan Fund	ST
Fidelity Market Index Fund	ST
Fidelity Mass Tax-Free High Yield	MU
Fidelity Michigan Municipal MM	MM
Fidelity Michigan Tax-Free High Yield	MU
Fidelity Minnesota Tax-Free	MU
Fidelity Mortgage Securities	BD

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Vanguard Municipal Bond Fund
P.O. Box 2800
Valley Forge, Pennsylvania 19482

Name ____________

Address ____________

City ____________

State ________ Zip ________
(95) FBG2 244

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Name ____________ City/State/Zip ____________

Address ____________ Phone ____________

Fund	Type
Fidelity NY Tax-Free High Yield	MU
Fidelity NY Tax-Free Insured	MU
Fidelity Ohio Municipal MM	MM
Fidelity Ohio Tax-Free High Yield	MU
Fidelity OTC Portfolio	ST
Fidelity Overseas Fund	FS
Fidelity Pacific Basin Fund	FS
Fidelity Puritan Fund	BA
Fidelity Real Estate Investment	ST
Fidelity Retirement Growth	ST
Fidelity Select–American Gold	GS
Fidelity Select–Automotive	ST
Fidelity Select–Biotechnology	ST
Fidelity Select–Chemicals	ST
Fidelity Select–Computers	ST
Fidelity Select–Developing Commun	ST
Fidelity Select–Electric Utilities	ST
Fidelity Select–Energy	ST
Fidelity Select–Energy Service	ST
Fidelity Select–Environment Services	ST
Fidelity Select–Financial Services	ST
Fidelity Select–Food & Agriculture	ST
Fidelity Select–Health Care	ST
Fidelity Select–Industrial Materials	ST
Fidelity Select–Leisure	ST
Fidelity Select–Medical Delivery	ST
Fidelity Select–Prec Metals & Mins	FS
Fidelity Select–Regional Banks	ST
Fidelity Select–Retailing	ST
Fidelity Select–Savings & Loan	ST
Fidelity Select–Software & Computer	ST
Fidelity Select–Technology	ST
Fidelity Select–Telecommunications	ST
Fidelity Select–Utilities	ST
Fidelity Short-Term Bond Portfolio	BD
Fidelity Special Situations-Advisor	ST
Fidelity Stock Selector	ST
Fidelity Tax-Exempt Money Market	MM
Fidelity Tax-Free–Aggressive	MU
Fidelity Tax-Free–High Yield	MU
Fidelity Tax-Free–Insured	MU
Fidelity Tax-Free–Ltd Term Munis	MU
Fidelity Tax-Free–Municipal Bond	MU
Fidelity Trend Fund	ST
Fidelity US Treasury Income	MM
Fidelity Utilities Income	ST
Fidelity Value Fund	ST
Fidelity Worldwide Fund	GS
Spartan California Municipal High Yield	MU
Spartan California Municipal MM	MM
Spartan Connecticut Muni High Yield	MU
Spartan Ginnie Mae Fund	BD
Spartan Government Income Fund	BD
Spartan High Income Fund	JU
Spartan Limited Maturity Govt	BD
Spartan Massachusetts Municipal MM	MM
Spartan Money Market Fund	MM
Spartan Municipal Income	MU
Spartan Municipal Money Fund	MM
Spartan New Jersey Muni High Yield	MU
Spartan New Jersey Municipal MM	MM
Spartan New York Muni High Yield	MU
Spartan New York Municipal MM	MM
Spartan Pennsylvania Muni High Yield	MU
Spartan Penn Municipal MM	MM
Spartan Short-Intermediate Muni	MU
Spartan US Government MM	MM
Spartan US Treasury MM Fund	MM

Fiduciary Management
225 East Mason Street
Milwaukee, WI 53202
(414) 226-4556* (local); (800) 338-1579

Fiduciary Capital Growth Fund	ST
Reynolds Blue Chip Growth Fund	ST

First Eagle Fund of America
45 Broadway
New York, NY 10006
(800) 451-3623

First Eagle Fund of America	ST

First Investors Management Co
95 Wall Street
New York, NY 10005
(800) 423-4026

First Investors Blue Chip	ST
First Investors Fund for Income	JU
First Investors Global Fund	GS
First Investors Government Fund	BD
First Investors High Yield Fund	JU
First Investors Insured Tax-Exempt	MU
First Investors NY Insured Tax-Free	MU
First Investors Total Return Fund	BA

Flagship Financial
One First National Plaza
Suite 910
Dayton, OH 45402
(800) 227-4648

Flagship Tax-Ex–All-American	MU
Flagship Tax-Ex–Conn Double	MU
Flagship Tax-Ex–Florida Double	MU
Flagship Tax-Ex–Ky Triple	MU
Flagship Tax-Ex–Limited Term	MU
Flagship Tax-Ex–Michigan Triple	MU
Flagship Tax-Ex–NC Triple	MU
Flagship Tax-Ex–Ohio Double	MU
Flagship Tax-Ex–Tennessee Double	MU

Flex Funds
PO Box 7177
Dublin, OH 43017
(800) 325-3539

Flex-funds–Growth Fund	ST
Flex-funds–Muirfield Fund	ST

Fortis Financial Group
PO Box 64284
St Paul, MN 55164
(612) 738-4000 (local); (800) 800-2638

Fortis Advantage–Asset Allocation	BA
Fortis Advantage–Capital Apprec	ST
Fortis Advantage–Govt Total Return	BD
Fortis Capital Fund	ST
Fortis Fiduciary Fund	ST
Fortis Growth Fund	ST
Fortis US Govt Securities Fund	BD

Forum Financial Services
61 Broadway
New York, NY 10006
(800) 237-3113

Prime Value–Altura Cash Invest	MM
Prime Value–Altura ValuGrowth Stock	ST
Prime Value–US Government	MM
Sound Shore Fund	ST

Founders Asset Management
2930 East Third Avenue
Denver, CO 80206
(303) 394-7800 (local); (800) 525-2440

Founders Blue Chip	ST
Founders Discovery Fund	ST
Founders Frontier Fund	ST
Founders Growth Fund	ST
Founders Special Fund	ST
Founders Worldwide Growth Fund	GS

FPA Fund Distributors
11400 West Olympic Boulevard
Suite 1200
Los Angeles, CA 90064
(800) 982-4372

FPA Capital Fund	ST
FPA Paramount Fund	ST
FPA Perennial Fund	ST

Franklin Distributors
777 Mariners Island Boulevard
6th Floor
San Mateo, CA 94404-1585
(800) 342-5236

Franklin Adj US Govt Securities	BD
Franklin AGE High Income Fund	JU
Franklin Alabama Tax-Free Income	MU
Franklin Arizona Tax-Free Income	MU
Franklin Calif Insured Tax-Free Inc	MU
Franklin Calif Tax-Free Income	MU
Franklin Colorado Tax-Free Income	MU
Franklin Connecticut Tax-Free Income	MU
Franklin DynaTech Fund	ST
Franklin Equity Fund	ST
Franklin Federal Tax-Free Income	MU
Franklin Florida Tax-Free Income	MU
Franklin Global Opportunity Income	GB
Franklin Gold Fund	FS

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Fund	Type
Franklin Growth Fund	ST
Franklin High Yield Tax-Free Income	MU
Franklin Income Fund	BA
Franklin Insured Tax-Free Income	MU
Franklin Mass Insured Tax-Free Inc	MU
Franklin Mich Insured Tax-Free Inc	MU
Franklin Minn Insured Tax-Free Inc	MU
Franklin Missouri Tax Free Income	MU
Franklin NJ Tax-Free Income	MU
Franklin NY Tax-Free Income	MU
Franklin NC Tax-Free Income	MU
Franklin Ohio Insured Tax-Free Income	MU
Franklin Oregon Tax-Free Income	MU
Franklin Penn Tax-Free Income	MU
Franklin PR Tax-Free Income Fund	MU
Franklin Rising Dividends	ST
Franklin Short-Intermed US Govt	BD
Franklin Tax-Advantaged US Govt	BD
Franklin Texas Tax-Free Income	MU
Franklin US Government Securities	BD
Franklin Utilities Fund	ST
Franklin Virginia Tax-Free Income	MU
Fremont Funds 50 Fremont Street Suite 3600 San Francisco, CA 94105 (800) 548-4539	
Fremont Multi Asset Fund	BA
Fundamental Services 90 Washington Street 19th Floor New York, NY 10006 (800) 322-6864	
New York Muni Fund	MU
Furman Selz 230 Park Avenue New York, NY 10169 (800) 662-8417	
Pacifica Asset Preservation Fund	BD
Pacifica Balanced Fund	BA
Pacifica California Tax-Free Fund	MU
Pacifica Equity Value Fund	ST
Pacifica Government Income Fund	BD
Gabelli & Company One Corporate Center Rye, NY 10580-1434 (800) 422-3554	
Gabelli Asset Fund	ST
Gabelli Convertible Securities Fund	BA
Gabelli Growth Fund	ST
Gabelli Value Fund	ST
GAM Funds 135 East 57th Street 29th Floor New York, NY 10022 (212) 888-4200*	
GAM International Fund	FS
GAM Pacific Basin Fund	FS

Fund	Type
Gateway Trust 400 Technecenter Drive Suite 220 Milford, OH 45150 (800) 354-6339	
Gateway Index Plus Fund	ST
Gintel & Co 6 Greenwich Office Park Greenwich, CT 06831 (800) 243-5808	
Gintel Capital Appreciation Fund	ST
Gintel Erisa Fund	ST
Gintel Fund	ST
GIT Investment Services 1655 North Fort Myer Drive Arlington, VA 22209 (800) 336-3063	
GIT Equity Trust–Special Growth	ST
GNA Investors Trust Two Union Square Suite 5600 Seattle, WA 98101-2336 (206) 625-1755* (local); (800) 426-5520	
GNA Investors–US Govt Secs	BD
Goldman Sachs Funds 6060 Sears Tower 60th Floor Chicago, IL 60606 (800) 762-5035	
GS Capital Growth Fund	ST
GS Select Equity Fund	ST
Gradison Mutual Funds 580 Walnut Street Cincinnati, OH 45202 (513) 579-5700* (local); (800) 869-5999	
Gradison Established Growth Fund	ST
Gradison-McDonald Government Inc	BD
Gradison Opportunity Growth Fund	ST
Great Western Sierra Trust Funds 888 South Figueroa Street Suite 1100 Los Angeles, CA 90017 (800) 222-5852	
GW Sierra–California Municipal Inc	MU
GW Sierra–Corporate Income Fund	BD
GW Sierra–Equity Opportunity Fund	ST
GW Sierra–Growth & Income Fund	ST
GW Sierra–Natl Municipal Income	MU
GW Sierra–US Government Securities	BD

Fund	Type
Green Hill Financial Service 290 Westminster Street Providence, RI 02903 (800) 323-4726	—
Mutual Benefit Fund	ST
GT Global Financial Services 50 California Street 27th Floor San Francisco, CA 94111 (800) 548-9995	
GT Global Growth–America	ST
GT Global Growth–Europe	FS
GT Global Growth–Growth & Inc	GS
GT Global Growth–International	FS
GT Global Growth–Japan	FS
GT Global Growth–Pacific	FS
GT Global Growth–Worldwide	GS
GT Global Health Care Fund	GS
GT Investment–Global Bond	GB
GT Investment–Global Govt Income	GB
Guardian Investor Services Corp 201 Park Avenue South New York, NY 10003 (800) 221-3253	
Guardian Park Ave Fund	ST
John Hancock Advisers 101 Huntington Avenue 6th Floor Boston, MA 02199 (800) 225-5291	
Freedom Inv–Gold & Government-A	ST
Freedom Inv–Government Income-A	BD
Freedom Inv–Managed Tax-Exempt-A	MU
Freedom Inv–Regional Bank-A	ST
Freedom Inv II–Global Fund-A	GS
Freedom Inv II–Global Income-A	GB
Freedom Inv III–Environmental-A	ST
Freedom Short-Term World Income-A	GB
John Hancock Asset Allocation Fund	BA
John Hancock Global Fund	GS
John Hancock Government Spectrum	BD
John Hancock Growth Fund	ST
John Hancock Sovereign Bond Fund	BD
John Hancock Sovereign Investors	ST
John Hancock Special Equities Fund	ST
John Hancock Strategic–Income	JU
John Hancock Tax-Exempt Income	MU
John Hancock Tech–Global Tech	ST
John Hancock Tech–Natl Aviation & Tech	ST
John Hancock US Govt Securities	BD

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Fund	Type
HCA Securities One SeaGate Toledo, OH 43666 (800) 422-1050	
Harbor Capital Appreciation	ST
Harbor Growth Fund	ST
Harbor International	FS
Harbor Value	ST
Heartland Advisors 790 North Milwaukee Street Milwaukee, WI 53202 (414) 347-7276 (local); (800) 432-7856	
Heartland Group–Value Fund	ST
Heine Securities 51 John F Kennedy Parkway Short Hills, NJ 07078 (800) 448-3863	
Mutual Series Fund–Beacon	ST
Mutual Series Fund–Mutual Shares	ST
Mutual Series Fund–Qualified	ST
Heritage Asset Management 880 Carillon Parkway St Petersburg, FL 33716 (813) 573-8143 (local); (800) 421-4184	
Heritage Capital Appreciation	ST
Wayne Hummer & Co 175 West Jackson Boulevard Chicago, IL 60604 (800) 621-4477	
Wayne Hummer Growth Fund	ST
Huntington Investments 251 South Lake Avenue Suite 600 Pasadena, CA 91101 (800) 826-0188	
International Currency–Global	GB
International Currency–Hard Currency	GB
International Currency–High Income	GB
Hyperion Capital Management 1650 Hotel Circle North Suite 200 San Diego, CA 92108 (800) 497-3746	
Ranieri Adjustable Rate US Govt I	BD

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IAI Funds
PO Box 357
Minneapolis, MN 55440
(612) 376-2700 (local); (800) 945-3863

Fund	Type
IAI Bond Fund	BD
IAI International Fund	FS
IAI Regional Fund	ST
IAI Reserve Fund	BD
IAI Stock Fund	ST
IAI Value Fund	ST

IDS Financial Services
IDS Tower 10
Minneapolis, MN 55440
(800) 328-8300

Fund	Type
IDS Blue Chip Advantage Fund	ST
IDS Bond Fund	BD
IDS California Tax-Exempt Fund	MU
IDS Discovery Fund	ST
IDS Diversified Equity Income Fund	ST
IDS Equity Plus Fund	ST
IDS Extra Income Fund	JU
IDS Federal Income Fund	BD
IDS Global Bond Fund	GB
IDS Global Growth Fund	GS
IDS Growth Fund	ST
IDS High Yield Tax-Exempt Fund	MU
IDS Insured Tax-Exempt Fund	MU
IDS International Fund	FS
IDS Managed Retirement Fund	ST
IDS Minnesota Tax-Exempt Fund	MU
IDS Mutual Fund	BA
IDS New Dimensions Fund	ST
IDS Precious Metals Fund	FS
IDS Progressive Fund	ST
IDS Selective Fund	BD
IDS Stock Fund	ST
IDS Strategy–Aggressive Equity	ST
IDS Strategy–Equity	ST
IDS Strategy–Income	BD
IDS Strategy–Worldwide Growth	FS
IDS Tax-Exempt Bond Fund	MU
IDS Utilities Income Fund	ST

Invesco Funds Group
PO Box 2040
Denver, CO 80201
(303) 779-1233 (local), (800) 525-8085

Fund	Type
Financial Bond Shares–High Yield	JU
Financial Bond Shares–Select Income	BD
Financial Dynamics Fund	ST
Financial Industrial Fund	ST
Financial Industrial Income Fund	ST
Financial Series–Equity Fund	ST
Financial Series–Flex Fund	ST
Financial Series–Intl Growth	FS
Financial Strategic–European	FS
Financial Strategic–Financial Services	ST
Financial Strategic–Gold	ST
Financial Strategic–Health Science	ST
Financial Strategic–Leisure	ST
Financial Strategic–Pacific Basin	FS
Financial Strategic–Technology	ST
Financial Strategic–Utilities	ST
Financial Tax-Free Income Shares	MU

ISI
717 Fifth Avenue
New York, NY 10022
(800) 955-7175

Fund	Type
ISI Total Return US Treasury	BD

Ivy Fund
PO Box 5007
Boca Raton, FL 33431
(800) 456-5111

Fund	Type
Ivy Growth Fund	ST
Ivy International Fund	FS

Janus Capital
100 Fillmore Street
Suite 300
Denver, CO 80206-4923
(800) 525-3713

Fund	Type
Janus Flexible Income Fund	BD
Janus Fund	ST
Janus Growth & Income Fund	ST
Janus Twenty Fund	ST
Janus Venture Fund	ST
Janus Worldwide Fund	GS

Jefferson-Pilot Investor Services
PO Box 22086
Greensboro, NC 27420
(800) 458-4498

Fund	Type
JP Growth Fund	ST

Jones & Babson
2440 Pershing Road
Kansas City, MO 64108
(800) 422-2766

Fund	Type
Babson Bond–Portfolio L	BD
Babson Enterprise Fund	ST
Babson Growth Fund	ST
Babson Value Fund	ST
Shadow Stock Fund	ST
UMB Stock Fund	ST

Kaufmann Fund
17 Battery Place
Suite 2624
New York, NY 10004
(212) 344-2661* (local); (800) 237-0132

Fund	Type
Kaufmann Fund	ST

Kemper Financial Services
120 South LaSalle Street
Chicago, IL 60603
(800) 621-1048

Fund	Type
Kemper Adjustable Rate US Govt	BD
Kemper Blue Chip Fund	ST
Kemper California Tax-Free Income	MU
Kemper Diversified Income Fund	JU
Kemper Environmental Services Fund	ST
Kemper Florida Tax-Free Income	MU
Kemper Growth Fund	ST
Kemper High Yield Fund	JU
Kemper Inc & Cap Preservation	BD
Kemper International Fund	FS
Kemper Invest–Diversified Income	BD
Kemper Invest–Government	BD
Kemper Invest–Growth	ST
Kemper Invest–High Yield	JU
Kemper Invest–Short-Intermed Govt	BD
Kemper Invest–Short-Term Global	GB
Kemper Invest–Total Return	BA
Kemper Money Market–Govt Secs	MM
Kemper Money Market–MM	MM
Kemper Money Market–Tax-Exempt	MM
Kemper Municipal Bond Fund	MU
Kemper New York Tax-Free Fund	MU
Kemper Retirement Fund I	BA
Kemper Retirement Fund II	BA
Kemper Short-Term Global Income	GB
Kemper Small Capitalization Equity	ST
Kemper Technology Fund	ST
Kemper Total Return Fund	BA
Kemper US Government Securities	BD

Keystone Distributors
PO Box 2121
Boston, MA 02106-2121
(800) 343-2898

Fund	Type
Hartwell Emerging Growth	ST
Keystone America Cap Pres & Income I	BD
Keystone America Omega	ST
Keystone America Tax-Free Income	MU
Keystone Custodian B-1	BD
Keystone Custodian B-2	BD
Keystone Custodian B-4	JU
Keystone Custodian K-1	BA
Keystone Custodian K-2	ST
Keystone Custodian S-1	ST
Keystone Custodian S-3	ST
Keystone Custodian S-4	ST
Keystone International Fund	FS
Keystone Precious Metals	FS
Keystone Tax-Exempt Trust	MU
Keystone Tax-Free Fund	MU

Kidder, Peabody
60 Broad Street
3rd Floor
New York, NY 10004-2350
(800) 238-7753

Fund	Type
Kidder, Peabody Equity Income	ST

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Fund	Type
Kleinwort Benson 200 Park Avenue 24th Floor New York, NY 10166 (212) 687-2515 (local), (800) 237-4218	
Kleinwort Benson Intl Equity	FS
Legg Mason Wood Walker 111 South Calvert Street 21st Floor Baltimore, MD 21202 (410) 539-0000* (local); (800) 368-2558	
Legg Mason Inc–US Govt Intermed	BD
Legg Mason Special Investment	ST
Legg Mason Total Return Trust	ST
Legg Mason Value Trust	ST
Lexington Management Corp PO Box 1515 Park 80 West Plaza II Saddle Brook, NJ 07662 (800) 526-0056	
Lexington Corp Leaders Trust Fund	ST
Lexington Global Fund	GS
Lexington GNMA Income Fund	BD
Lexington Goldfund	GS
Lexington Growth & Income Fund	ST
Lexington Worldwide Emerging Mkts	FS
Liberty Securities 600 Atlantic Avenue 23rd Floor Boston, MA 02210-2214 (800) 542-3863	
Liberty Advantage Tax-Free Bond	MU
Liberty Advantage US Govt Secs	BD
Lieber & Co 2500 Westchester Avenue Purchase, NY 10577 (800) 235-0064	
Evergreen Foundation Fund	BA
Evergreen Fund	ST
Evergreen Limited Market Fund	ST
Evergreen Tax Exempt MM	MM
Evergreen Total Return Fund	ST
Evergreen Value Timing Fund	ST
Lincoln Investment Planning 218 Glenside Avenue Wyncote, PA 19095-1595 (800) 242-1421	
Rightime Blue Chip Fund	ST
Rightime Fund	ST
Rightime Growth Fund	ST
Lindner Management Corp 7711 Carondelet Avenue PO Box 11208 St Louis, MO 63105 (314) 727-5305	
Lindner Dividend Fund	ST
Lindner Fund	ST
Lord Abbett & Co 767 Fifth Avenue 11th Floor New York, NY 10153-0203 (800) 874-3733	
Affiliated Fund	ST
Lord Abbett Bond-Debenture Fund	JU
Lord Abbett Calif Tax-Free Income	MU
Lord Abbett Developing Growth	ST
Lord Abbett Equity Fund-1990	BA
Lord Abbett Fundamental Value	ST
Lord Abbett Global Fund–Equity	GS
Lord Abbett Global Fund–Income	GB
Lord Abbett Tax-Free Income–Natl	MU
Lord Abbett Tax-Free Income–NJ	MU
Lord Abbett Tax-Free Income–New York	MU
Lord Abbett US Government Secs	BD
Lord Abbett Value Appreciation	ST
Lutheran Brotherhood Securities 625 Fourth Avenue South Minneapolis, MN 55415 (800) 328-4552	
Lutheran Brotherhood Fund	ST
Lutheran Brotherhood High Yield	JU
Lutheran Brotherhood Income Fund	BD
Lutheran Brotherhood Muni Bond	MU
Mackenzie Investment Management PO Box 5007 Boca Raton, FL 33431-0807 (800) 456-5111	
Mackenzie American Fund	ST
Mackenzie Fixed Income Trust	BD
Mackenzie No Amer Total Return	BA
Mairs & Power 332 Minnesota Street West-2062 First National Bank Building St Paul, MN 55101 (612) 222-8478	
Mairs & Power Growth Fund	ST
Horace Mann Growth Fund One Horace Mann Plaza Springfield, IL 62715 (800) 999-1030	
Horace Mann Growth Fund	ST
Massachusetts Financial Services PO Box 2281 Boston, MA 02107 (800) 225-2606	
Mass Investors Growth Stock Fund	ST
Mass Investors Trust	ST
MFS Bond Fund	BD
MFS California Municipal Bond	MU
MFS Capital Development Fund	ST
MFS Emerging Growth Fund	ST
MFS Government Income Plus	BD
MFS Government Premium Fund	BD
MFS Government Securities	BD
MFS High Income Fund	JU
MFS High Yield Municipal Bond	MU
MFS Lifetime Capital Growth Fund	ST
MFS Lifetime Emerging Growth Fund	ST
MFS Lifetime Government Income +	BD
MFS Lifetime High Income Fund	JU
MFS Lifetime Intermediate Income	BD
MFS Lifetime Managed Sectors Fund	ST
MFS Lifetime Municipal Bond	MU
MFS Lifetime Total Return Fund	ST
MFS Lifetime Worldwide Equity	GS
MFS M-S Muni Bond–Maryland	MU
MFS M-S Muni Bond–Massachusetts	MU
MFS M-S Muni Bond–New York	MU
MFS M-S Muni Bond–North Carolina	MU
MFS M-S Muni Bond–South Carolina	MU
MFS M-S Muni Bond–Virginia	MU
MFS Managed Sectors Fund	ST
MFS Municipal Bond Fund	MU
MFS Research Fund	ST
MFS Special Fund	ST
MFS Total Return Fund	BA
MFS Worldwide Governments	GB
MFS Worldwide Total Return Fund	GS
Mathers Fund 100 Corporate North Suite 201 Bannockburn, IL 60015 (800) 962-3863	
Mathers Fund	ST
Merrill Lynch Funds Distributor PO Box 9011 Princeton, NJ 08543-9011 (800) 637-3863	
Merrill Lynch Bal Inv & Retire-A	BA
Merrill Lynch Basic Value Fund-A	ST
Merrill Lynch Calif Muni Bond-A	MU
Merrill Lynch Capital Fund-A	ST
Merrill Lynch Corp–High Income-A	JU
Merrill Lynch Corp–High Quality-A	BD
Merrill Lynch Corp–Intermediate	BD
Merrill Lynch Devel Capital Mkts	FS
Merrill Lynch EuroFund-A	FS
Merrill Lynch Federal Securities	BD
Merrill Lynch Florida Muni Bond-A	MU
Merrill Lynch Fund for Tomorrow-A	ST
Merrill Lynch Global Allocation-A	GS
Merrill Lynch Global Bond Inv & Ret-A	GB
Merrill Lynch Global Utility-A	GS
Merrill Lynch Grow Inv & Retire-A	ST
Merrill Lynch Healthcare Fund-A	GS
Merrill Lynch Intl Holdings-A	GS
Merrill Lynch Muni–High Yield-A	MU
Merrill Lynch Muni–Insured-A	MU
Merrill Lynch Muni–Ltd Maturity	MU
Merrill Lynch Municipal Income-A	MU
Merrill Lynch Natural Resources-A	ST
Merrill Lynch NY Muni Bond-A	MU
Merrill Lynch Pacific Fund-A	FS

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Fund	Type
Merrill Lynch Phoenix Fund-A	BA
Merrill Lynch Prime Fund	BD
Merrill Lynch Ready Assets Trust	MM
Merrill Lynch S-T Global Income-A	GB
Merrill Lynch Special Value-A	ST
Merrill Lynch Strategic Div-A	ST
Merrill Lynch Technology-A	GS
Merrill Lynch World Income-A	GB

Merriman Investment Trust
1200 Westlake Avenue North
Suite 700
Seattle, WA 98109
(800) 423-4893

Merriman Asset Allocation Fund	BA
Merriman Capital Appreciation Fund	ST

Mesirow Investment Services
350 North Clark Street
Chicago, IL 60610
(800) 458-5222

Skyline Fund–Special Equities	ST

MGF Distributors
312 Walnut Street
Suite 2100
Cincinnati, OH 45202
(800) 543-8721

Midwest Strategic–Utility Income	ST

Mimlic Sales Corp
PO Box 64132
St Paul, MN 55164-9800
(800) 443-3677

Mimlic Asset Allocation Fund	BA

Monetta Fund
1776-A South Naperville Road
Suite 207
Wheaton, IL 60187-8133
(800) 666-3882

Monetta Fund	ST

Montgomery Small-Cap Fund
600 Montgomery Street
17th Floor
San Francisco, CA 94111
(800) 428-1871

Montgomery Small-Cap Fund	ST

Morgan Keegan & Co
50 North Front Street
Memphis, TN 38103
(800) 366-7426

Morgan Keegan Southern Capital	ST

Murphey Favre
West 601 Riverside Avenue
Spokane, WA 99201
(800) 543-8072

Fund	Type
Composite Bond & Stock Fund	BA
Composite Growth Fund	ST
Composite Northwest 50 Fund	ST
Composite Tax-Exempt Bond Fund	MU
Composite US Govt Securities	BD

Mutual of Omaha Fund Management
10235 Regency Circle
Omaha, NE 68114
(800) 228-9596

Mutual of Omaha Growth Fund	ST
Mutual of Omaha Income Fund	BA
Mutual of Omaha Tax-Free Income	MU

National Securities & Research Corp
2 Pickwick Plaza
Greenwich, CT 06830
(800) 223-7757

National Bond Fund	JU
National Calif Tax-Exempt Bonds	MU
National Federal Securities Trust	BD
National Global Allocation Fund	GS
National Income & Growth Fund-A	BA
National Multi-Sector Fixed Inc-A	BD
National Securities Tax-Ex Bonds	MU
National Stock Fund	ST
National Total Return Fund	BA
National WorldWide Opportunities	GS

Nationar
330 Madison Avenue
8th Floor
New York, NY 10017
(800) 232-4484

MSB Fund	ST

Nationwide Financial Services
One Nationwide Plaza
Columbus, OH 43216
(800) 848-0920

Nationwide Fund	ST
Nationwide Growth Fund	ST
Nationwide Tax-Free Income Fund	MU

Neuberger & Berman Management
605 Third Avenue
2nd Floor
New York, NY 10158-0006
(800) 877-9700

N & B Genesis Fund	ST
N & B Guardian Fund	ST
N & B Limited Maturity Bond	BD
N & B Manhattan Fund	ST
N & B Partners Fund	ST
N & B Selected Sectors	ST

Newport Distributors
1500 Forest Avenue
Suite 223
Richmond, VA 23229
(800) 527-9500

Fund	Type
Newport Tiger Fund	FS
Vontobel EuroPacific Fund	FS
Vontobel US Value Fund	ST

Newton Fund
PO Box 1348
Milwaukee, WI 53201
(414) 223-1455 (local); (800) 242-7229

Newton Growth Fund	ST

Nicholas Company
700 North Water Street
Suite 1010
Milwaukee, WI 53202
(414) 272-6133

Nicholas Fund	ST
Nicholas II	ST
Nicholas Income Fund	BD
Nicholas Limited Edition	ST

Nomura Capital Management
180 Maiden Lane
29th Floor
New York, NY 10038
(800) 833-0018

Nomura Pacific Basin Fund	FS

Northeast Investors Trust
50 Congress Street
10th Floor, Room 1000
Boston, MA 02109
(800) 225-6704

Northeast Investors Growth	ST
Northeast Investors Trust	BD

John Nuveen & Co
333 West Wacker Drive
Chicago, IL 60606
(800) 621-7227

Nuveen California Insured T-F Value	MU
Nuveen California Tax-Free Value	MU
Nuveen Insured Municipal Bond	MU
Nuveen Municipal Bond Fund	MU
Nuveen New York Insured T-F Value	MU
Nuveen Ohio Tax-Free Value	MU
Nuveen Tax-Exempt Money Market	MM

NYLife Securities
51 Madison Avenue
New York, NY 10010-1603
(800) 522-4202

MainStay–Capital Appreciation	ST
MainStay–Convertible Fund	BA
MainStay–Equity Index Fund	ST
MainStay–Government Plus	BD
MainStay–High Yield Corp Bond	JU
MainStay–Tax-Free Bond	MU
MainStay–Total Return Fund	BA
MainStay–Value Fund	ST

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Fund	Type
Oberweis Emerging Growth 841 North Lake Street Aurora, IL 60506 (800) 323-6166	
Oberweis Emerging Growth	ST
Olympic Trust 800 West Sixth Street Suite 540 Los Angeles, CA 90017 (800) 346-7301	
Olympic Trust–Equity Income	ST
Olympus Investment Trust 1925 Century Park East Suite 1900 Los Angeles, CA 90067 (800) 950-2748	
Olympus Stock Fund	ST
Oppenheimer Fund Management PO Box 300 Denver, CO 80201 (800) 525-7048	
Main Street–Income & Growth	ST
Oppenheimer Asset Allocation Fund	BA
Oppenheimer California Tax-Exempt	MU
Oppenheimer Discovery Fund	ST
Oppenheimer Equity Income Fund	ST
Oppenheimer Fund	ST
Oppenheimer Global Bio-Tech Fund	GS
Oppenheimer Global Environment	GS
Oppenheimer Global Fund	GS
Oppenheimer Global Growth & Inc	GS
Oppenheimer GNMA Fund	BD
Oppenheimer Gold & Special Mins	GS
Oppenheimer Government Securities	BD
Oppenheimer High Yield Fund	JU
Oppenheimer New York Tax-Exempt	MU
Oppenheimer Special Fund	ST
Oppenheimer Strategic Income Fund	BD
Oppenheimer Target Fund	ST
Oppenheimer Tax-Free Bond Fund	MU
Oppenheimer Time Fund	ST
Oppenheimer Total Return Fund	ST
Oppenheimer US Government Trust	BD
Oppenheimer Value Stock	ST
Overland Express PO Box 63084 San Francisco, CA 94163 (800) 552-9612	
Overland Express Asset Allocation	BA
Overland Express Calif T-F Bond	MU
Overland Express Variable Rate Govt	BD
Pacific Financial Research 9601 Wilshire Boulevard Suite 828 Beverly Hills, CA 90210 (800) 776-5033	
Clipper Fund	ST

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MUTUAL FUND INVESTORS!

TURN TO PAGE 215
FOR VALUABLE INFORMATION
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Many of today's leading funds use the FORBES MUTUAL FUNDS PORTFOLIO to make their prospectuses available to readers. Simply call the 800 numbers listed in the section or mail back the postage-paid reply card provided.

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Vanguard Total Stock Market Portfolio
P.O. Box 2800
Valley Forge, Pennsylvania 19482

Name ____________
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(40) FBD2-244

THE Vanguard GROUP OF INVESTMENT COMPANIES

Fund	Type
Pacific Horizon 7863 Girard Avenue Suite 306 La Jolla, CA 92037 (800) 332-3863	
Pacific Horizon–Aggressive Growth	ST
Pacific Horizon–Calif Tax-Ex Bond	MU
Pacific Horizon–Prime	MM
Pacific Horizon–Treasury	MM
Pacific Horizon–US Government	BD
PaineWebber 1000 Harbor Boulevard Prospectus Department, 1st Floor Weehawken, NJ 07087 (201) 902-7341 (local); (800) 647-1568	
PaineWebber Asset Allocation-A	BA
PaineWebber Atlas Global Growth-A	GS
PaineWebber Blue Chip Growth Fund-A	ST
PaineWebber California T-F Income-A	MU
PaineWebber Cashfund	MM
PaineWebber Dividend Growth Fund	ST
PaineWebber Europe Growth Fund-A	FS
PaineWebber Global Energy Fund-A	GS
PaineWebber Global Growth & Income-A	GS
PaineWebber Global Income-A	GB
PaineWebber Growth Fund-A	ST
PaineWebber High Income Fund-A	JU
PaineWebber Income Fund-A	BD
PaineWebber Investment Grade Income-A	BD
PaineWebber National T-F Income-A	MU
PaineWebber Regional Finl Growth-A	ST
PaineWebber S-T Global Income-A	GB
PaineWebber US Government Income-A	BD
Parnassus Financial Management 244 California Street San Francisco, CA 94111 (415) 362-3505 (local); (800) 999-3505	
Parnassus Fund	ST
Pasadena Group of Mutual Funds 600 North Rosemead Boulevard Pasadena, CA 91107-2101 (800) 882-2855	
Pasadena Balanced Return Fund	BA
Pasadena Growth Fund	ST
Pasadena Nifty Fifty Fund	ST
Pax World Fund 224 State Street Portsmouth, NH 03801 (800) 767-1729	
Pax World Fund	BA
Penn Square Management 2650 Westview Drive Wyomissing, PA 19610 (800) 523-8440	
Penn Square Mutual Fund	ST

Fund	Type
Pennsylvania Mutual Fund 1414 Avenue of the Americas New York, NY 10019 (800) 221-4268	
Pennsylvania Mutual Fund	ST
Permanent Portfolio PO Box 5847 Austin, TX 78763 (800) 531-5142	
Permanent Portfolios–Permanent	BA
Permanent Portfolios–Treasury Bill	BD
GR Phelps & Co 140 Garden Street MS 305 Hartford, CT 06154 (800) 322-2642	
Connecticut Mutual–Growth	ST
Connecticut Mutual–Total Return	BA
Phoenix Equity Planning Corp 100 Bright Meadow Boulevard Enfield, CT 06083-2200 (800) 243-4361	
Phoenix Balanced Fund	BA
Phoenix Convertible Fund	BA
Phoenix Growth Fund	ST
Phoenix High Yield Fund	JU
Phoenix Multi-Capital Appreciation	ST
Phoenix Multi–International	FS
Phoenix Stock Fund	ST
Phoenix Total Return	ST
Pilgrim Group 10100 Santa Monica Boulevard 21st Floor Los Angeles, CA 90067-4112 (800) 336-3436	
Pilgrim Adjustable US Govt Secs III	BD
Pilgrim MagnaCap Fund	ST
Pilgrim S-T Multi-Market Income	BD
Pioneer Group PO Box 9014 Boston, MA 02205-9014 (800) 225-6292	
Pioneer Bond Fund	BD
Pioneer Capital Growth Fund	ST
Pioneer Europe Fund	FS
Pioneer Fund	ST
Pioneer II	ST
Pioneer Three	ST
Piper Capital Management Piper Jaffray Tower 222 South 9th Street Minneapolis, MN 55402 (800) 866-7778	
Piper Jaffray Emerging Growth Fund	ST
Piper Jaffray Government Income	BD
Piper Jaffray Institutional Govt Inc	BD
Piper Jaffray Minnesota Tax-Exempt	MU
Piper Jaffray Value Fund	ST

Fund	Type
T Rowe Price Associates 100 East Pratt Street Baltimore, MD 21202 (800) 638-5660	
T Rowe Price Balanced Fund	BA
T Rowe Price California T-F Inc Bond	MU
T Rowe Price Capital Appreciation	ST
T Rowe Price Equity Income Fund	ST
T Rowe Price European Stock	FS
T Rowe Price Global Govt Bond	GB
T Rowe Price GNMA Fund	BD
T Rowe Price Growth & Income	ST
T Rowe Price Growth Stock Fund	ST
T Rowe Price High Yield Fund	JU
T Rowe Price Intl Bond	GB
T Rowe Price Intl Discovery	FS
T Rowe Price Intl Stock	FS
T Rowe Price Maryland T-F Bond	MU
T Rowe Price New America Growth	ST
T Rowe Price New Asia	FS
T Rowe Price New Era Fund	ST
T Rowe Price New Horizons Fund	ST
T Rowe Price New Income Fund	BD
T Rowe Price Science & Technology	ST
T Rowe Price Short-Term Bond Fund	BD
T Rowe Price Small-Cap Value Fund	ST
T Rowe Price Spectrum–Growth	ST
T Rowe Price Spectrum–Income	BD
T Rowe Price Tax-Free High Yield	MU
T Rowe Price Tax-Free Income Fund	MU
T Rowe Price T-F Short-Intermediate	MU
T Rowe Price US Treasury Intermed	BD
T Rowe Price US Treasury Money	MM
Primary Trend Fund First Financial Centre-4th Floor 700 North Water Street Milwaukee, WI 53202 (800) 443-6544	
Primary Trend Fund	ST
Princor Financial Services Corp The Principal Financial Group Des Moines, IA 50392-0200 (800) 451-5447	
Princor Capital Accumulation Fund	ST
Princor Emerging Growth Fund	ST
Princor Government Securities Inc	BD
Princor Growth Fund	ST
Princor Managed Fund	BA
Princor World Fund	GS
ProvidentMutual Financial Services PO Box 15627 Christiana Executive Campus Wilmington, DE 19850 (800) 441-9490	
ProvidentMutual Growth Fund	ST
ProvidentMutual Investment Shares	ST
ProvidentMutual Total Return Trust	BA

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Fund	Type
Prudential Securities One Seaport Plaza New York, NY 10292 (800) 225-1852	
Nicholas-Applegate Growth Equity-A	ST
Prudential Calif Municipal–Calif-A	MU
Prudential Calif Municipal–Income-A	MU
Prudential Equity Fund-A	ST
Prudential Equity Income-A	ST
Prudential FlexiFund–Conservative-A	ST
Prudential FlexiFund–Strategy-A	ST
Prudential Global Fund-A	GS
Prudential Global Genesis-A	GS
Prudential GNMA Fund-A	BD
Prudential Government Plus-A	BD
Prudential Govt Secs–Intermed	BD
Prudential Govt Secs–Money Market	MM
Prudential Growth Fund-A	ST
Prudential Growth Opportunity-A	ST
Prudential High Yield Fund-A	JU
Prudential IncomeVertible Plus-A	BA
Prudential Intermed Global Income-A	GB
Prudential Multi-Sector Fund-A	ST
Prudential Muni Bond–High Yield-A	MU
Prudential Muni Bond–Insured-A	MU
Prudential Muni Ser–New Jersey-A	MU
Prudential Muni Ser–New York-A	MU
Prudential Muni Ser–Ohio-A	MU
Prudential Muni Ser–Pennsylvania-A	MU
Prudential National Municipals-A	MU
Prudential S-T Global–Income-A	GB
Prudential S-T Global–Assets-A	GB
Prudential Structured Maturity-A	BD
Prudential US Government-A	BD
Prudential Utility Fund-A	ST
Putnam Financial Services PO Box 2701 Boston, MA 02208 (617) 292-1000* (local); (800) 225-1581	
Putnam Adjustable Rate US Govt-A	BD
Putnam Calif Tax-Exempt Income	MU
Putnam Convertible Income-Growth	BA
Putnam Corporate Asset Trust	ST
Putnam Diversified Income Trust	BD
Putnam Dividend Growth	ST
Putnam Energy-Resources Trust	ST
Putnam Federal Income Trust	BD
Putnam Florida Tax-Exempt Income	MU
Putnam Fund for Growth & Income-A	ST
George Putnam Fund of Boston-A	BA
Putnam Global Governmental Income	GB
Putnam Global Growth Fund-A	GS
Putnam Health Sciences Trust	ST
Putnam High Income Government	BD
Putnam High Yield Advantage	JU
Putnam High Yield Trust	JU
Putnam Income Fund	BD
Putnam Investors Fund	ST
Putnam Managed Income Trust	ST
Putnam Massachusetts Tax-Ex Inc II	MU
Putnam Municipal Income	MU
Putnam New Jersey Tax-Exempt Inc	MU
Putnam New Opportunities	ST
Putnam New York Tax-Exempt Income	MU
Putnam Ohio Tax-Exempt Income II	MU
Putnam OTC Emerging Growth Fund	ST
Putnam Penn Tax-Exempt Income	MU
Putnam Strategic Income Trust	ST
Putnam Tax-Exempt Income Fund	MU
Putnam Tax-Free Income–High Yield	MU
Putnam Tax-Free Income–Insured	MU
Putnam US Govt Income-A	BD
Putnam Utilities Grow & Income-A	ST
Putnam Vista Fund	ST
Putnam Voyager Fund-A	ST
Quest Distributors 1414 Avenue of the Americas New York, NY 10019 (800) 221-4268	
Royce Fund–Equity Income	ST
Royce Fund–Value	ST
Quest for Value 200 Liberty Street One World Financial Center, 37th Floor New York, NY 10281 (800) 232-3863	
Quest for Value–Opportunity Fund	BA
Quest for Value–Small Capitalization	ST
Quest for Value–US Govt Income	BD
Quest for Value Fund	ST
Quest for Value Global Equity Fund	GS
James B Rea 10966 Chalon Road Los Angeles, CA 90077 (310) 208-2282* (local); (800) 433-1998	
Rea-Graham Balanced Fund	BA
Reich & Tang LP 100 Park Avenue 28th Floor New York, NY 10017 (800) 221-3079	
Reich & Tang Equity Fund	ST
Robertson, Stephens & Co One Embarcadero Center Suite 3100 San Francisco, CA 94111 (800) 766-3863	
Robertson Stephens Emerging Growth	ST
Rochester Fund Distributors 70 Linden Oaks Rochester, NY 14625 (716) 383-1300*	
Rochester Fund Municipals	MU
Rodney Square Funds 1300 North Market Street Suite 700 Wilmington, DE 19801 (800) 553-9308	
Rodney Square–Money Market	MM
Rodney Square International Equity	FS
Rodney Square Multi-Mngr–Growth	ST
Ruane, Cunniff & Co 1370 Avenue of the Americas 29th Floor New York, NY 10019 (212) 245-4500	
Sequoia Fund	ST
Rushmore Group 4922 Fairmont Avenue Bethesda, MD 20814 (800) 343-3355	
American Gas Index Fund	ST
Rushmore–Nova	ST
Frank Russell Distributors 5700 Corporate Drive Suite 330 Pittsburgh, PA 15237-5861 (800) 235-4331	
Laurel Funds–Stock	ST
Safeco Securities PO Box 34890 Seattle, WA 98124-1890 (206) 545-7319* (local); (800) 624-5711	
Safeco Equity Fund	ST
Safeco Growth Fund	ST
Safeco Income Fund	ST
Safeco Municipal Bond Fund	MU
Safeco Northwest Fund	ST
Salomon Brothers Asset Management 7 World Trade Center 38th Floor New York, NY 10048 (800) 725-6666	
Salomon Brothers Capital Fund	ST
Salomon Brothers Investors Fund	ST
Salomon Brothers Opportunity Fund	ST
SBM Financial Services 8400 Normandale Lake Boulevard Suite 1100 Minneapolis, MN 55437 (800) 328-4735	
State Bond Common Stock Fund	ST
State Bond Diversified Fund	ST
SBSF Funds 45 Rockefeller Plaza 33rd Floor New York, NY 10111 (800) 422-7273	
SBSF–Growth Fund	ST

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Fund	Type
Scudder Investor Services 160 Federal Street 2nd Floor Boston, MA 02110 (800) 225-2470	
AARP Growth–Capital Growth	ST
AARP Growth–Growth & Income	ST
AARP Income–GNMA & US Treasury	BD
AARP Income–High Quality Bond	BD
AARP Insured T-F Inc–Genl Bond	MU
Japan Fund	FS
Scudder California Tax-Free Fund	MU
Scudder Capital Growth Fund	ST
Scudder Development Fund	ST
Scudder Global Fund	GS
Scudder GNMA Fund	BD
Scudder Gold Fund	GS
Scudder Growth & Income Fund	ST
Scudder High Yield Tax-Free Fund	MU
Scudder Income Fund	BD
Scudder International Bond Fund	GB
Scudder International Fund	FS
Scudder Managed Municipal Bonds	MU
Scudder Massachusetts Tax-Free	MU
Scudder Medium Term Tax-Free	MU
Scudder NY Tax-Free Fund	MU
Scudder Quality Growth Fund	ST
Scudder Short Term Bond Fund	BD
Scudder Short-Term Global Income	GB
Securities Management & Research Two Moody Plaza Galveston, TX 77550 (800) 231-4639	
American National Growth Fund	ST
American National Income Fund	ST
Security Distributors 700 Harrison Street Topeka, KS 66636 (913) 295-3127* (local); (800) 888-2461	
Security Action Fund	ST
Security Equity Fund	ST
Security Investment Fund	ST
Security Ultra Fund	ST
Selected Financial Services 120 South Riverside Plaza Chicago, IL 60606 (800) 426-6562	
Selected American Shares	ST
Selected Special Shares	ST
Seligman Financial Services 130 Liberty Street New York, NY 10006 (800) 221-2783	
Seligman Capital Fund	ST
Seligman Common Stock Fund	ST
Seligman Communications & Info	ST
Seligman Frontier Fund	ST
Seligman Growth Fund	ST
Seligman Income Fund	BA
Seligman Tax-Exempt–Mass	MU
Seligman Tax-Exempt–Michigan	MU
Seligman Tax-Exempt–Minnesota	MU
Seligman Tax-Exempt–National	MU
Seligman Tax-Exempt–Ohio	MU
Sentry Equity Services 1800 North Point Drive C3/42 Stevens Point, WI 54481 (800) 533-7827	
Sentry Fund	ST
Shearson Lehman Brothers 388 Greenwich Street New York, NY 10013 (212) 720-9128	
AMEX Municipal Money Market	MM
AMEX New York Municipal MM	MM
Shearson Advisors Fund	ST
Shearson Aggressive Growth	ST
Shearson Appreciation Fund	ST
Shearson California Municipals	MU
Shearson Equity–Growth & Oppor	ST
Shearson Equity–International	FS
Shearson Equity–Sector Analysis	ST
Shearson Equity–Strategic Investors	ST
Shearson Fundamental Value Fund	ST
Shearson Global Opportunities	GS
Shearson High Yield Fund	JU
Shearson Income–Convertible	BA
Shearson Income–Divers Strategic	BD
Shearson Income–Global Bond	GB
Shearson Income–High Income	JU
Shearson Income–Mortgage	BD
Shearson Income–Premium Tot Ret	ST
Shearson Income–S-T Global Income	GB
Shearson Income–Tax-Exempt Income	MU
Shearson Income–Utilities	BA
Shearson Invest–Appreciation	ST
Shearson Invest–Directions Value	ST
Shearson Invest–European	FS
Shearson Invest–Govt Securities	BD
Shearson Invest–Invest Grade Bond	BD
Shearson Invest–Precious Metals	GS
Shearson Invest–Special Equities	ST
Shearson Managed Governments	BD
Shearson Managed Municipals	MU
Shearson New Jersey Municipals	MU
Shearson New York Municipals	MU
Shearson 1990s Fund	ST
Shearson Principal Return–1996	BA
Shearson Principal Return–1998	BA
Shearson Short-Term World Income	GB
Shearson Small Capitalization	ST
Shearson Telecommunications–Growth	ST
Shearson World Wide Prime Assets	GB
Sheffield Investments 41 Madison Avenue New York, NY 10010 (800) 922-7771	
Blanchard Global Growth Fund	GS
Blanchard Short-Term Global Income	GB
Signature Financial Group 6 Saint James Avenue 9th Floor Boston, MA 02116 (617) 423-0800*	
FundTrust–Aggressive Growth	ST
FundTrust–Growth & Income	BA
Sit Investment Associates 90 South 7th Street Suite 4600 Minneapolis, MN 55402 (800) 332-5580	
Sit New Beginning Growth Fund	ST
Sit New Beginning Income & Growth	ST
Sit New Beginning Tax-Free Income	MU
Smith Barney Advisers 1345 Avenue of the Americas 22nd Floor New York, NY 10105 (800) 544-7835	
Smith Barney Equity Fund	ST
Smith Barney–Income & Growth	ST
Smith Barney–US Government	BD
Smith Barney–Utility	ST
Smith Barney Muni Bond–California	MU
Smith Barney Muni Bond–Ltd Term	MU
Smith Barney Muni Bond–National	MU
SoGen Securities Corp 50 Rockefeller Plaza New York, NY 10020 (800) 334-2143	
SoGen International Fund	ST
Southeastern Asset Management 860 Ridgelake Boulevard Suite 301 Memphis, TN 38120 (800) 445-9469	
SAM Small Cap Fund	ST
SAM Value Trust	ST

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Fund	Type
Stagecoach Asset Management PO Box 7066 San Francisco, CA 94120 (800) 222-8222	
Stagecoach Asset Allocation	BA
Stagecoach Corporate Stock	ST
Stagecoach Growth & Income	ST
State Street Financial Services One Financial Center 30th Floor Boston, MA 02111 (800) 882-0052	
MetLife-State Street Cap Apprec	ST
MetLife-State Street Equity Income	ST
MetLife-State Street Equity Inv	ST
MetLife-State Street Govt Income	BD
MetLife-State Street High Income	JU
MetLife-State Street Managed Assets	BA
MetLife-State Street Tax-Exempt	MU
State Street Investment Trust	ST
Stein Roe & Farnham PO Box 1131 Chicago, IL 60690 (800) 338-2550	
SteinRoe Capital Opportunities	ST
SteinRoe High Yield Municipals	MU
SteinRoe Income Fund	BD
SteinRoe Intermediate Bond Fund	BD
SteinRoe Intermediate Municipals	MU
SteinRoe Managed Municipals	MU
SteinRoe Prime Equities	ST
SteinRoe Special Fund	ST
SteinRoe Stock Fund	ST
SteinRoe Total Return Fund	BA
Stonebridge Capital 1801 Century Park East Suite 1800 Los Angeles, CA 90067 (310) 277-1450	
National Industries Fund	ST
Stratton Funds c/o Fund Plan Services PO Box 874 Conshohocken, PA 19428-8074 (800) 634-5726	
Stratton Growth Fund	ST
Stratton Monthly Dividend Shares	ST
Strong/Corneliuson Capital Management PO Box 2936 Milwaukee, WI 53201-2936 (800) 368-1030	
Strong Advantage Fund	BD
Strong Common Stock Fund	ST
Strong Discovery Fund	ST
Strong Investment Fund	BA
Strong Municipal Bond Fund	MU
Strong Opportunity Fund	ST
Strong Short-Term Bond Fund	BD
Strong Total Return Fund	BA

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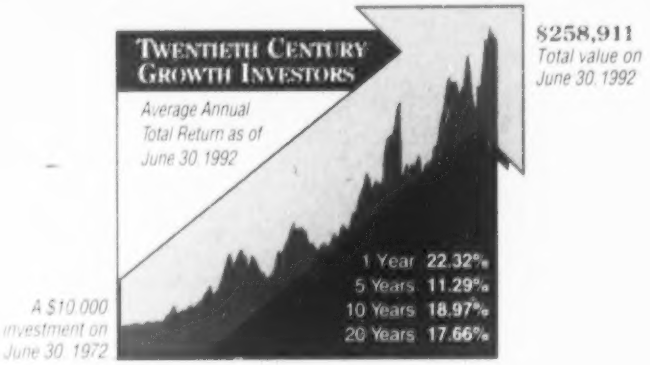
Strong sense of direction.



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Valley Forge, Pennsylvania 19482

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Address ______
City ______
State ______ Zip ______
(51) FB22-244

THE Vanguard GROUP OF INVESTMENT COMPANIES

Fund	Type
SunAmerica Asset Management 733 Third Avenue New York, NY 10017 (800) 858-8850	
SunAmerica Balanced Assets Fund	BA
SunAmerica Capital Appreciation	ST
SunAmerica Equity–Aggress Growth	ST
SunAmerica Equity–Growth	ST
SunAmerica Equity–US Government Secs	BD
SunAmerica Federal Securities	BD
SunAmerica Global Short-Term Inc	GB
SunAmerica Multi-Asset–Tot Return	BA
SunAmerica Tax-Exempt–Insured	MU
Sunstone c/o First Wisconsin Trust Co PO Box 701 Milwaukee, WI 53201-0701 (414) 287-3710 (local); (800) 228-1024	
Portico–Bond IMMDEX Fund	BD
Portico–Equity Index Fund	ST
Portico–Income & Growth Fund	ST
Portico–Special Growth Fund	ST
TBC Funds Distributor 103 Bellevue Parkway Wilmington, DE 19809 (800) 441-7379	
HT Insight–Equity Fund	ST
Pierpont Capital Appreciation Fund	ST
Pierpont Equity Fund	ST
Pierpont International Equity Fund	FS
Pierpont Tax-Exempt Bond Fund	MU
Templeton Funds Distributors PO Box 3303 St Petersburg, FL 33733-8030 (800) 237-0738	
Templeton Foreign Fund	FS
Templeton Global Opportunities	GS
Templeton Growth Fund	GS
Templeton Income Fund	GS
Templeton Real Estate Securities	GS
Templeton Smaller Companies Growth	GS
Templeton Value Fund	GS
Templeton World Fund	GS
Thomson Investor Services PO Box 5866 Denver, CO 80217 (800) 426-0107	
Thomson–Equity Income-A	BA
Thomson–Global-A	GS
Thomson–Growth-A	ST
Thomson–Income-A	BD
Thomson–Opportunity-A	ST
Thomson–US Government-A	BD
Thornburg Securities 119 East Marcy Street Suite 202 Santa Fe, NM 87501 (800) 847-0200	
Limited Term Municipal–National	MU

Fund	Type
TNE Investment 399 Boylston Street Boston, MA 02116 (800) 343-7104	
CGM Capital Development Fund	ST
CGM Mutual Fund	BA
TNE Balanced Fund	BA
TNE Bond Income Fund	BD
TNE Government Securities Fund	BD
TNE Growth Fund	ST
TNE Growth Opportunities	ST
TNE Premium Income	BD
TNE Retirement Equity Fund	ST
TNE Tax-Exempt Income Fund	MU
Transamerica 1000 Louisiana Suite 6200 Houston, TX 77002-5098 (800) 343-6840	
Transamerica Calif Tax-Free Inc-A	MU
Transamerica Capital Appreciation	ST
Transamerica Govt Securities	BD
Transamerica Growth & Income-A	BA
Transamerica Invest Quality Bond	BD
Transamerica Special Blue Chip Fund	ST
Transamerica Special Emerging Grow-A	ST
Transamerica Special Govt Income	BD
Trusteed Funds 101 Federal Street Boston, MA 02110 (800) 359-5964	
Commonwealth Investment–Balanced	BA
Twentieth Century Investors PO Box 419200 Kansas City, MO 64141-6200 (816) 531-5575 (local); (800) 345-2021	
20th Century Balanced Investors	BA
20th Century Giftrust Investors	ST
20th Century Growth Investors	ST
20th Century Heritage Investors	ST
20th Century International Equity	FS
20th Century Long-Term Bond	BD
20th Century Select Investors	ST
20th Century Ultra Investors	ST
20th Century US Governments	BD
20th Century Vista Investors	ST
United Services Advisors PO Box 29467 San Antonio, TX 78229-0467 (512) 696-1234 (local); (800) 873-8637	
United Services–Global Resources	GS
United Services–Gold Shares	FS
United Services–World Gold Fund	GS
US Boston Investment Lincoln North Lincoln, MA 01773 (800) 872-7866	
US Boston–Growth & Income	ST

Fund	Type
USAA Investment Management Co USAA Building 9800 Fredericksburg Road San Antonio, TX 78288 (800) 531-8181	
USAA Investment–Balanced	BA
USAA Investment–Cornerstone Fund	GS
USAA Investment–GNMA Trust	BD
USAA Investment–Gold Fund	FS
USAA Investment–International	FS
USAA Mutual–Aggressive Growth	ST
USAA Mutual–Growth Fund	ST
USAA Mutual–Income Fund	BD
USAA Mutual–Income Stock Fund	ST
USAA Mutual–Money Market	MM
USAA Tax-Exempt–California Bond	MU
USAA Tax-Exempt–California MM	MM
USAA Tax-Exempt–High Yield	MU
USAA Tax-Exempt–Intermediate	MU
USAA Tax-Exempt–Money Market	MM
USAA Tax-Exempt–Short-Term	MU
USAA Tax-Exempt–Virginia Bond	MU
USF&G Investment Services 100 Light Street Baltimore, MD 21202 (800) 323-8734	
Axe Core International ADR Fund	FS
Axe-Houghton Fund B	BA
Axe-Houghton Growth Fund	ST
Chancellor Growth & Income Fund	ST
European Growth Fund	FS
Over-the-Counter Securities Fund	ST
UST Securities c/o Concord Financial Group 7863 Girard Avenue, Suite 306 La Jolla, CA 92037 (800) 233-1136	
UST Master Funds–Equity	ST
UST Master Funds–Govt Money	MM
UST Master Funds–International	FS
UST Master Funds–Managed Income	BD
UST Master Funds–Money	MM
UST Master Tax-Exempt–Intermed	MU
UST Master Tax-Exempt–Short-Term	MM
Value Line Securities 711 Third Avenue 4th Floor New York, NY 10017 (800) 223-0818	
Value Line Convertible Fund	ST
Value Line Fund	ST
Value Line Income Fund	ST
Value Line Leveraged Growth Inv	ST
Value Line Special Situations Fund	ST
Value Line Tax-Exempt–High Yield	MU
Value Line US Government Secs	BD

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Fund	Type
Van Eck Securities Corp 122 East 42nd Street 42nd Floor New York, NY 10168 (800) 221-2220	
Van Eck Gold/Resources Fund	GS
Van Eck International Investors	FS
Van Eck World Income Fund	GB
Van Eck World Trends Fund	GS
Van Kampen Merritt One Parkview Plaza Oakbrook Terrace, IL 60181 (708) 684-6000 (local); (800) 225-2222	
Van Kampen Merritt Growth & Inc	ST
Van Kampen Merritt High Yield	JU
Van Kampen Merritt Insured T-F	MU
Van Kampen Merritt Muni Income	MU
Van Kampen Merritt Penn T-F Inc	MU
Van Kampen Merritt Prime Rate Inc	BD
Van Kampen Merritt S-T Global-A	FS
Van Kampen Merritt T-F Hi Income	MU
Van Kampen Merritt US Government	BD
Vanguard Group of Investment Cos PO Box 2600 MS 136 Valley Forge, PA 19482 (800) 835-1510	
Vanguard Asset Allocation	BA
Vanguard Bond Market Fund	BD
Vanguard California T-F–Ins L-T	MU
Vanguard California T-F–MM	MM
Vanguard Convertible Securities	BA
Vanguard Equity Income Fund	ST
Vanguard Explorer Fund	ST
Vanguard Fixed Inc–GNMA	BD
Vanguard Fixed Inc–High Yield	JU
Vanguard Fixed Inc–Invest Grade	BD
Vanguard Fixed Inc–L-T US Treas	BD
Vanguard Fixed Inc–Short-Term	BD
Vanguard Fixed Inc–S-T Federal	BD
Vanguard Index–500 Portfolio	ST
Vanguard Index–Extended Market	ST
Vanguard Intl Equity Index–European	FS
Vanguard Intl Equity Index–Pacific	FS
Vanguard MM Reserves–Federal	MM
Vanguard MM Reserves–Prime	MM
Vanguard MM Reserves–US Treas	MM
Vanguard/Morgan Growth Fund	ST
Vanguard Muni Bond–High Yield	MU
Vanguard Muni Bond–Insured L-T	MU
Vanguard Muni Bond–Intermediate	MU
Vanguard Muni Bond–Limited Term	MU
Vanguard Muni Bond–Long-Term	MU
Vanguard Muni Bond–Money Market	MM
Vanguard Muni Bond–Short-Term	MU
Vanguard NJ Tax-Free–Insured L-T	MU
Vanguard NJ Tax-Free–MM	MM
Vanguard New York Insured T-F	MU
Vanguard Penn Tax-Free–Insured L-T	MU
Vanguard Penn Tax-Free–MM	MM
Vanguard Preferred Stock Fund	BD
Vanguard Primecap Fund	ST

*Will accept collect calls.

100% NO LOAD

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*15.5%, 10.3%, and 15.6% are the respective 1-year, 5-year, and since inception (10/31/85) average annual returns for the periods ended 6/30/92. Figures include changes in principal value, reinvested dividends, and capital gain distributions. Total return represents past performance, which cannot guarantee future performance. Investment return and principal value will vary and shares may be worth more or less at redemption than at original purchase.
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Fund	Type
Vanguard Quantitative Portfolios	ST
Vanguard Small Cap Stock	ST
Vanguard Special–Energy	ST
Vanguard Special–Gold & Precious	FS
Vanguard Special–Health Care	ST
Vanguard Special–Technology	ST
Vanguard STAR Fund	BA
Vanguard Trustees Commingled–Intl	FS
Vanguard Trustees Commingled–US	ST
Vanguard Wellesley Income Fund	BA
Vanguard Wellington Fund	BA
Vanguard Windsor Fund	ST
Vanguard Windsor II	ST
Vanguard World–Intl Growth	GS
Vanguard World–US Growth	GS

Venture Advisers
PO Box 1688
Santa Fe, NM 87504-1688
(800) 279-0279

Fund	Type
New York Venture Fund	ST
RPF of America–Equity Fund	ST
Venture Muni (+) Plus	MU

Vista Mutual Funds
Chase Service Center
PO Box 419392
Kansas City, MO 64141
(800) 348-4782

Fund	Type
Vista Capital Growth Fund	ST
Vista Growth & Income Fund	ST

Voyageur Fund Distributor
100 South Fifth Street
Suite 2200
Minneapolis, MN 55402
(800) 553-2143

Fund	Type
Voyageur Colorado Tax-Free Fund	MU
Voyageur Minnesota Insured Fund	MU
Voyageur Minnesota Tax-Free Fund	MU

Waddell & Reed
6300 Lamar
Shawnee Mission, KS 66202
(800) 366-5465 (local); (800) 366-5465

Fund	Type
United Accumulative Fund	ST
United Bond Fund	BD
United Continental Income Fund	BA
United Gold & Government Fund	FS
United Government Securities	BD
United High Income Fund	JU
United High Income Fund II	JU
United Income Fund	ST
United International Growth	FS
United Municipal Bond Fund	MU
United Municipal High Income	MU
United New Concepts Fund	ST
United Retirement Shares	BA
United Science & Energy Fund	ST
United Vanguard Fund	ST

Washington Funds Distributors
1101 Vermont Avenue NW
Suite 600
Washington, DC 20005
(202) 842-5300 (local); (800) 972-9274

Fund	Type
Growth Fund of Washington	ST

Weiss, Peck & Greer
One New York Plaza
New York, NY 10004
(800) 223-3332

Fund	Type
WPG Government Securities Fund	BD
WPG Growth & Income Fund	ST
WPG Growth Fund	ST
WPG Tudor Fund	ST

Weitz Securities
9290 West Dodge Road
Suite 405
Omaha, NE 68114-3323
(800) 232-4161

Fund	Type
Weitz Series Fund–Value	ST

Westcore Funds
Suite 1605 South
600 Seventeenth Street
Denver, CO 80202
(800) 666-0367

Fund	Type
Westcore–Balanced Investment Fund	BA
Westcore–Basic Value Fund	ST
Westcore–Equity Income Fund	ST
Westcore–MIDCO Growth Fund	ST
Westcore–Modern Value Equity	ST

Wheat First Securities
PO Box 1357
Richmond, VA 23211
(800) 472-0090

Fund	Type
Mentor Growth Fund	ST

MJ Whitman LP
767 Third Avenue
5th Floor
New York, NY 10017
(800) 443-1021

Fund	Type
Equity Strategies Fund	ST
Third Avenue Value Fund	ST

Winsbury Company
1900 East Dublin-Granville Road
Columbus, OH 43229
(800) 451-8377

Fund	Type
American Performance Equity Fund	ST
ASO Outlook Group Equity Fund	ST
Emblem–Earnings Momentum Equity	ST
Emblem–Ohio Regional Equity Port	ST
Emblem–Relative Value Equity Port	ST
HighMark Income Equity Fund	ST
Parkstone Bond Fund	BD
Parkstone Equity Fund	ST
Parkstone High Income Equity	ST
Parkstone Intermediate Govt Oblig	BD
Parkstone Limited Maturity Bond	BD
Parkstone Michigan Municipal Bond	MU
Parkstone Municipal Bond	MU
Parkstone Prime Obligations	MM
Parkstone Small Cap	ST
Parkstone Tax-Free Fund	MM

Wood Logan
1455 East Putnam Avenue
Old Greenwich, CT 06870
(800) 334-0575

Fund	Type
NA Security–Asset Allocation	BA

Wood, Struthers & Winthrop Management
140 Broadway
42nd Floor
New York, NY 10005
(800) 225-8011

Fund	Type
Winthrop Focus Funds–Aggressive Grow	ST
Winthrop Focus Funds–Growth	ST
Winthrop Focus Funds–Growth & Income	ST

Yamaichi Global Fund
Two World Trade Center
Suite 9828
New York, NY 10048
(212) 466-6805 (local); (800) 257-0228

Fund	Type
Yamaichi Global Fund	GS

BC Ziegler & Co
215 North Main Street
West Bend, WI 53095
(800) 826-4600

Fund	Type
Principal Preservation–S&P 100 Plus	ST

Zweig Securities
Five Hanover Square
17th Floor
New York, NY 10004
(800) 272-2700

Fund	Type
Zweig Series–Priority Selection-A	ST
Zweig Series–Strategy Fund-A	ST

*Will accept collect calls.

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

The downdraft in the stock market is not limited to growth stocks like U.S. Surgical or Egghead Inc. Hewlett-Packard, which announced that its July earnings will fail to meet analysts' expectations, dropped sharply in share price. Illinois Power, which is a far cry from a growth company, was another recent casualty after receiving an unfavorable (though preliminary) regulatory order.

Walter Stone, publisher of *Long-Term Technical Trends,* a monthly newsletter based in Boston, is predicting a sharp crash in stock prices, and thinks it will come soon. Stone believes the market is in the speculative bubble stage, and says: "Historically, a bubble is based on optimistic predictions. This bubble is based on negative predictions—the public is coming into the market because of falling interest rates. But interest rates are declining because business is not coming out of this recession."

Special focus

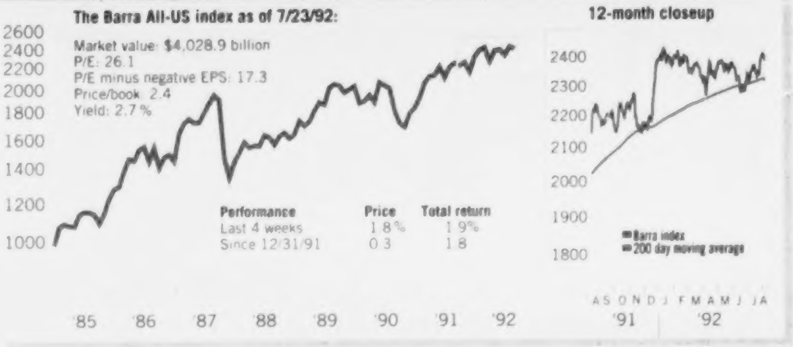
Not only does a weak dollar help U.S. exports by making American products more competitive overseas, it also boosts the dollar value of profits generated by foreign operations of U.S. corporations. Below, some corporations that derive 45% or more of sales from foreign operations; their bottom lines should benefit from a limp dollar.

Weak dollar plays

Company	'92 Est P/E
AMP	20
Avon Products	15
Coca-Cola	29
Colgate-Palmolive	18
CPC International	17
Gillette	23
Johnson & Johnson	20
McDonald's	16
Pfizer	25
Warner-Lambert	14

Sources: Value Line; IBES.

The overall market



The Barra All-US index as of 7/23/92:

Market value: $4,028.9 billion
P/E: 26.1
P/E minus negative EPS: 17.3
Price/book: 2.4
Yield: 2.7%

Performance	Price	Total return
Last 4 weeks	1.8%	1.9%
Since 12/31/91	0.3	1.8

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	2.1%	8.7%	-2.4%
S&P/Barra Growth index[1]	2.8	10.4	-3.0
S&P/Barra Value index[2]	1.7	11.9	-1.3
Dow Jones industrials	1.5	10.8	-2.1
S&P 500	2.1	8.0	-1.1
NYSE	2.1	8.6	-0.9
Nasdaq	1.6	12.7	-11.0
Amex	1.9	6.3	-7.0
EAFE[3]	-0.3	-10.1	-29.0
CRB index[4,5]	-0.7	-3.3	-25.3
Gold[5]	-2.7	35.7	-30.5
Yen[5]	0.7	-6.6	-22.2
Oil[5]	-4.6	-2.6	-48.9

The best and worst performing stocks[6]

Best	Price	2-week change	1992 EPS[7]	Worst	Price	2-week change	1992 EPS[7]
United Wisconsin Services	43 ½	64%	$2.67	Royal Appliance Mfg	9 ⅝	-54%	$1.01
Viewlogic Systems	13	33	0.58	Egghead	11 ¼	-36	1.27
HMO American	16 ~~⅛~~	~~32~~	~~1.20~~	Gitano Group	4 ⅛	-35	0.25
Gencare Health Systems	14 ½	32	1.05	Compression Labs	7 ¾	-35	0.30
Energy Ventures	11 ⅜	30	0.27	Zycad	3 ⅝	-29	0.49

The best and worst performing industry factors[6,8]

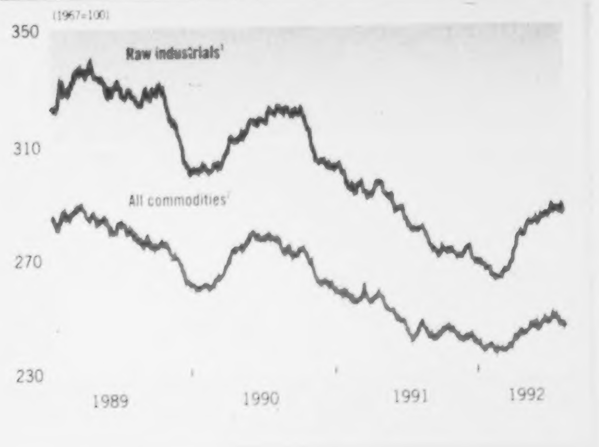
Best	2-week change	Since 12/31/91	Worst	2-week change	Since 12/31/91
Coal & uranium	10.5%	-22.3%	Precious metals	-4.2%	5.6%
Photographic, optical	6.9	-5.1	Life insurance	-2.0	-2.3
Cosmetics	6.3	2.6	Health care	-1.5	-12.4
Leisure, luxury	5.9	22.9	Business machines	-1.3	1.0
Drugs, medicine	5.5	-8.8	Broadcasting, publishing	-0.9	13.4

Note: Data for period ending 8/6/92. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences, including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

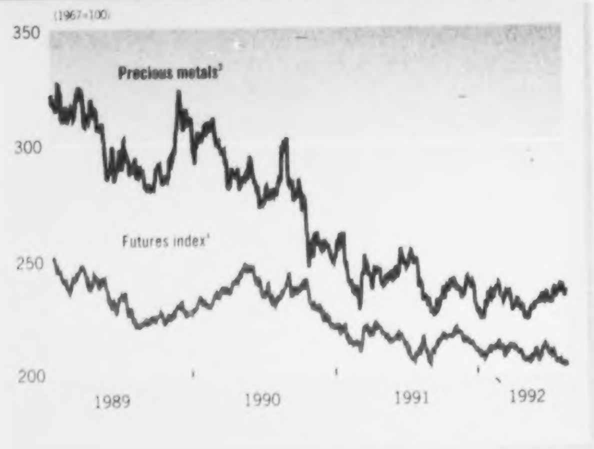
COMMODITIES REVIEW

BY ERIC S. HARDY

CRB Spot indexes



CRB Futures indexes



Short periods of volatility aside, the Commodity Research Bureau Futures Index has been trending modestly down since early 1991. In fact, this index is no higher now than it was during the Carter Administration in early 1978.

Is this good news or bad? Good, if you want to see low inflation and low interest rates. Bad, if you are a commodity trader and play off trend lines.

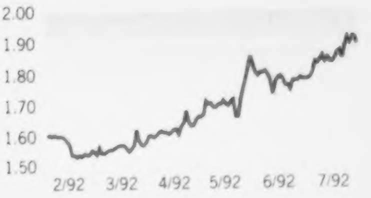
About the only action in the commodity markets these days is in energy contracts such as natural gas *(see lower left)* and in foreign exchange, where the dollar trades at near record-low levels against other currencies. A weak dollar is making U.S. exports more competitive. But the struggling economies of big U.S. trading partners like Canada and the U.K. have less demand for imports these days.

What of newer markets like China and Eastern Europe? "It's not a matter of demand for our commodities," says CRB analyst James Nevler. "Much more important is the amount of goods they [foreign customers] can pay for."

Chemical Banking Chief Economist Irwin Kellner pays more attention to the CRB raw industrials index than to the overall index. He is somewhat encouraged by the relative strength in such commodities as metals, cotton and rubber. Kellner interprets these price increases as a sign of a forthcoming economic rebound. Yet he doesn't expect a rebound in inflation. Rather, he predicts a reassuring combination of low inflation, gradually declining unemployment and real economic growth of 2.8% a year by the fourth quarter.

Commodity spotlight

Natural Gas[5] ($ per million Btu)



It's just possible that the end of the natural gas glut, predicted for many years, is at hand. Gas prices have been rising the past few months on both the spot and futures markets. Energy consultant Peter Fusaro of White Plains, N.Y. says that the market reflects expectations of a cold winter and increased use of gas as a substitute for higher-polluting oil and coal.

Cash and futures prices

Spot indexes

Index[6]	Value	3-mo change
All commodities	245.35	1%
Raw industrials	285.25	2
Metals	276.45	5
Textiles	223.00	-3
Foodstuffs	197.21	-1

Futures indexes

Index[6]	Value	3-mo change
CRB index	203.11	-2%
Precious metals	236.36	6
Industrials	231.05	3
Grains	184.90	-8
Livestock & meat	174.89	0

Spot commodity prices

Index	Price	3-mo change
Steel scrap (short ton)	$88.50	-4%
Copper scrap (pound)	0.96	13
Print cloth (sq yard)	0.70	-11
Corn (bushel)	2.18	-11
Soybean oil (pound)	0.18	-5

Futures prices

Index	Price	3-mo change
Oct platinum (troy oz)	$385.10	11%
Oct crude oil (barrel)	21.77	7
Sept copper (pound)	1.13	12
Dec cotton (pound)	0.60	-4
Dec Chi wheat (bushel)	3.28	-13

Note: All prices as of 7/31/92. [1]Composed of 13 commodities. [2]Composed of the 13 raw industrial commodities plus 10 foodstuffs. [3]Gold, platinum and silver. [4]Composed of 21 commodities. [5]February 1993 contract. [6]Base for spot and futures indexes (1967=100). Source: Knight-Ridder Commodity Research Bureau.